

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

BC Media Funding Company II	)	
Media Funding Company	)	Civil Action No. 1:08-cv-6228 RPP
	)	
Plaintiffs	)	
	)	
v.	)	
	)	
Frank Lazauskas, Michael L. Metter	)	
Leonard Moscati and E. Michael Pisani	)	
	)	
Defendants	)	

**DECLARATION OF MICHAEL METTER IN OPPOSITION TO  
PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT**

I, Michael Metter, declare under penalty of perjury under the laws of the United States of America, that the following is true and correct:

**INTRODUCTION**

1. I am over the age of eighteen years.
2. Since 2002, I have been the President and CEO of BusinessTalkradio.net, Inc. (the "Company"). I am responsible for the day-to-day overall operation of the business. My responsibilities include overseeing all financial commitments and responsibilities. As such, I am personally familiar with the facts stated in this Declaration, all of which are true, accurate and complete. All of the facts stated herein are based on my personal knowledge. Where a statement is based on information and belief, the basis of my belief and/or the nature of the information will be described.
3. On November 13, 2006, the Plaintiff, as lender, and the Company, as borrower, entered into a certain Loan Transaction, evidenced by, among other things, a Financing Agreement ("Financing Agreement") dated as of November 13, 2006 by and among

BusinessTalkradio.net, Inc. as borrower, Media Funding Company, LLC as lender, and BC Media Funding Company II LLC as agent. The Defendants are members of the Company and have personally guaranteed the Company's loan to the Plaintiff.

4. In this action, the Plaintiff seeks to enforce its guarantees against the Defendants. As a condition to bringing this civil action, the Plaintiff has alleged that the Company is in default of certain financial covenants contained in the Financing Agreement.

5. Based upon the facts more specifically set forth below, the Company and the Defendants deny the existence of any events of default under the Financing Agreement. To the extent any events of default previously occurred, the Plaintiff has waived the same and is estopped from exercising any rights and remedies thereon.

6. The Company is now and has at all times been current on all payments under the Financing Agreement. Copies of payment records showing payment through June, 2008 are attached hereto as **Exhibit A**. The Company made the July, 2008 payment on a timely basis. The Plaintiff has accepted all such payments.

### **HISTORY AND GROWTH OF THE COMPANY**

7. The Company was established in 1998 and reorganized in 2002 to produce long-form financial radio programming through network affiliates on a national basis. Prior to 2002, the Company's primary assets consisted of original radio programs, which were distributed to the Company's network of nationally affiliated radio stations. When I took the position of President and CEO in June, 2002, the Company had approximately 125 affiliates through which it syndicated its programming.

8. Beginning in 2003, the Company began to target the acquisition of certain key radio stations located in strategic markets.

9. On June 18, 2003, the Company acquired WGCH, a Class C AM station, located in Greenwich, Connecticut for the purchase price of \$1.1 million. The Company paid \$600,000 of the purchase price in cash, with the balance of \$500,000 paid by seller-financing, pursuant to which the seller provided a five year loan secured by a first priority lien.

10. On February 10, 2005, the Company acquired the assets of Talk America Radio Networks, Inc. d/b/a Liberty Broadcasting. The assets were transferred to the Lifestyle Talk Radio Network, Inc., a wholly owned subsidiary of the Company.

11. In late 2005, the Company identified two additional strategic purchases: KNUU, a Class B AM radio station located in Las Vegas, Nevada, and WXBR, a Class B AM radio station located in the Boston area.

12. The Company entered into agreements to purchase KNUU for \$3.9 million and WXBR for \$1 million. The Company's purchase of KNUU and WXBR was to be financed by Wells Fargo Foothill ("Wells Fargo"), which issued a commitment to provide financing of up to \$5.5 million for the acquisition of these stations and the repayment of the WGCH seller financing. The Wells Fargo commitment additionally required an equity contribution of \$1 million. The Company paid Wells Fargo a \$50,000 non-refundable commitment fee, and Wells Fargo commenced its due diligence.

13. By early September of 2006, the Company had raised the required \$1 million of equity and was ready, willing and able to close the purchases of KNUU and WXBR and the Wells Fargo financing. A closing was scheduled for late September, 2006.

14. Shortly before the scheduled closing, Wells Fargo backed out of its commitment. During the third week of August, I had a telephone call with David Meier of Wells Fargo who

informed me that Wells Fargo had implemented a change in lending policy and would no longer consider making loans under \$15 million. No other reason was given.

**PLAINTIFFS' LOAN AND DUE DILIGENCE**

15. Despite Wells Fargo's breach of its commitment, the Company remained bound to purchase KNUU and WXBR. Under increasing pressure to close within a very short period of time, the Company contacted a loan broker, Michael Finnety, who introduced the Company to the Plaintiff. After an initial investigation, the Plaintiff issued a letter of intent to provide up to \$5.5 million in financing, secured by a first lien on the Company's assets and the assets of the Company's subsidiaries, and further backed by personal guaranties of the Defendants.

16. Beginning in late September, 2006, the Plaintiff conducted extensive due diligence on the Company's financial condition.

17. In the course of conducting its due diligence, the Plaintiff hired the accounting firm of Withum Smith & Brown, of Sommerville, New Jersey ("WS&B"), to review the Company's financial information. James F. Weeks ("Weeks") of WS&B was the accountant primarily in charge of conducting the Plaintiff's due diligence. Attached hereto as **Exhibit B** is a copy of an e-mail from Weeks to me requesting certain financial information on behalf of the Plaintiff consisting of:

- (a) Detailed balance sheets and income statements for all entities for the years ended December 31, 2004 and 2005 and for the year to date 2006;
  - (b) Summary accounts receivable agings for all entities as of August 31, 2006;
- and
- (c) Audited financial statements and footnotes for the years ended December 31, 2005 and 2004.



18. In addition, Weeks performed at least two on-site visits and inspections at the Company's offices on or about September 20, 2006.

19. Also in connection with the Plaintiff's due diligence, the Plaintiff prepared a "Business Talk Radio Suggested Procedures" for understanding the Company's business operations and financial affairs. A copy of the Business Talk Radio Suggested Procedures are attached hereto as **Exhibit C**.

20. In order to fully and promptly respond to the Plaintiff's due diligence requests, I was assisted by Joy Marshall, the Company's business manager.

21. On September 24, 2006, Weeks submitted a list of thirteen questions and open items. On the following day, September 25, 2006, the Company responded by e-mail. A copy of the questions and open items, together with the Company's e-mail response is attached hereto as **Exhibit D**.

22. On September 25, 2006, the Company provided December, 2005 year end reports for certain of its subsidiaries. A copy of the reports and the accompanying transmittals are attached hereto as **Exhibit E**.

23. On September 26, 2006, the Company provided the balance sheet and profit and loss statements for January through November of 2005. A copy of the balance sheet and profit and loss statements, together with the September 26, 2006 transmittal are attached hereto as **Exhibit F**.

24. On September 27, 2006, at Weeks' request, the Company provided a detailed Sales Analyzer Report and a Six-Month Sales Projection for the subsidiaries WGCH, Lifestyle, copies of which, along with the accompanying transmittal, are attached hereto as **Exhibit G**.

25. In addition, the Company provided financial reports of KNUU/KNEW, including profit and loss statement and balance sheet for the period through June, 2006. Copies of such financial reports are attached hereto as **Exhibit H**.

26. By e-mail dated October 2, 2006, Weeks requested additional information consisting of (A) list of customers who account for more than 10% for BTRN, WGCH and LTRN for 2005 and YTD 2006; (B) sales journals for December, 2005, March 2006 and June 2006 for BTRN, WGCH and LTRN; and (C) list of all employees, positions and salaries. The following day, October 3, 2006, the Company supplied the requested information by telefax. A copy of Weeks' e-mail request and the information provided by the Company in response thereto is attached hereto as **Exhibit I**.

27. The Company also provided the Plaintiff with "BusinessTalkradio.net, Inc. and Subsidiaries Consolidated Financial Statements, December 31, 2006 and 2005", a copy of which is attached hereto as **Exhibit J**.

### **THE CLOSING**

28. The Plaintiff and the Company scheduled a closing for November 13, 2006. Immediately prior to the closing, the Plaintiff provided me with proposed loan documents, including a form of the Financing Agreement. All substantive closing documents, including the Financing Agreement, were prepared by Plaintiff and Plaintiff's counsel.

29. Immediately upon reviewing the proposed closing documents, I discovered a material error and contradiction in the Financing Agreement. I immediately informed the Plaintiff. Specifically, at the closing I informed the Plaintiff that the financial performance covenants of Section 6.03 were incorrect. These covenants contradicted and could not be supported by the financial statements referenced in Section 5.01(g). I informed the Plaintiff that,

were the Company to sign the Financing Agreement as it was then written, the Company would be in non-compliance with the financial covenants on day one.<sup>1</sup> In particular, the financial statements described in Section 5.01(g) of the Financing Agreement did not support the Minimum Fixed Charge Coverage Ratio of 1.0 to 1.0 and the Consolidated EBITDA and Net Revenue minimums set forth in Section 6.03 of the Financing Agreement. I informed the Plaintiff that these formulas and covenants were fatally incorrect, in that they did not reflect the Company's financial performance as shown by the financial information the Company provided to the Plaintiff in connection with the Plaintiff's due diligence.

30. I informed the Plaintiff at the closing that these financial covenants must be changed to accurately reflect the Company's operations as shown by the financial statements. I also informed the Plaintiff that the Company could not sign the Financing Agreement on the grounds that the Company would be unable to represent that it was in compliance with the financial covenants; and, further that the Company would be unable to comply with the covenants in the future.

31. Mr. Jacob Barker of the Plaintiff, acknowledged that the covenants were incorrect and did not properly reflect the Company's financial statements. Mr. Barker urged me to execute the Financing Agreement in its present form on that date, saying that the Plaintiff would immediately after the closing make the necessary amendments to the financial covenants so as to reflect the Company's actual financial operations.

---

<sup>1</sup> In Section 5.01(g), the Company represents that "the Financial Statements, copies of which have been delivered to the [Plaintiff], fairly present the consolidated financial condition of the Credit Parties [i.e., the Company and its subsidiaries] . . . and since the date of the most recent Financial Statements no event of development has occurred that has had or could reasonably be expected to have a Material Adverse Effect."

32. In reliance on Mr. Barker's promise to correct the financial covenants, the Company entered into the Financing Agreement, and the Defendants in this civil action entered into the guaranty agreements.

33. As part of the financing, the Plaintiff required each of the Company's subsidiaries to guarantee the Company's indebtedness and to secure such guarantees by a Security Agreement on substantially all of the assets of such subsidiaries.

34. The Plaintiff's loan and the Company's acquisition of KNUU and WXBR closed on or about November 13, 2006.

### **POST CLOSING EVENTS**

35. Immediately following the closing, the Company attempted to correct the financial covenants. On December 15, 2006, the Company faxed to the Plaintiff the Company's computations on which the financial covenants should be based. These computations were based upon and consistent with the financial information which the Company previously gave to the Plaintiff in connection with its due diligence. Without explanation, the Plaintiff disputed the Company's computations, insisting that the revenue generated by the Plaintiff's subsidiary, Lifestyle Talk Radio Network, Inc. should not be considered in connection with the financial covenants, and also insisting that certain expense items be counted twice. The Company objected on the grounds that the failure to include a subsidiary's revenue and the "double counting" of expenses, would not create an accurate financial picture. From December 15 through December 27, 2006, the Company and the Plaintiff exchanged correspondence in an effort to reach an agreement on the financial covenants.

36. With the benefit of hindsight, it is clear to me that Mr. Barker had no intention of correcting the financial covenants. Instead, he wanted to keep the Financing Agreement in its

present form, so that he could wrongfully threaten the Company with default to get negotiating leverage in the future. I base this on the following:

(a) Approximately one week after the closing, Mr. Barker told me that he knew and understood that the financial covenants, as drafted, were wrong, and that he could, any time he wanted, declare the Company in default. During that conversation, Mr. Barker specifically threatened to “call a default” unless the Company added a CPA, which it did during April, 2007.

(b) From February, 2007 through August, 2007, Barker, acting for the Plaintiff, offered to loan the Company \$2.5 million to purchase three radio stations from Ron Morley and Morley Broadcasting, WLIR-FM, WBON-FM and WDRI, Suffolk County, New York. When the Plaintiff informed me that the interest rate was to be 18%, I declined to take the loan. Barker tried to intimidate me into taking the loan by threatening to call the Financing Agreement in default. Barker then told me I would have to sign a forbearance agreement, admit to the defaults and pay an additional 3% interest. He said if I refused to sign the forbearance, he would “shut the Company down, so you won’t be able to make payroll and taxes.” I was not represented by counsel at the time. I felt as if I had no choice but to sign the forbearance agreement, even though I knew there were no defaults in the loan, as I feared for my employees and investors and did not want them to be harmed, and I also feared the criminal and civil penalties from failing to meet payroll. Under duress, I, acting for the Company, signed the Forbearance Agreement attached to the Plaintiff’s moving papers. I note that the guarantors—the Defendants in this action—did not sign the Forbearance Agreement.

37. After December 27, 2006, the Company received no further response to its computations from the Plaintiff, and the Plaintiff continued to accept the Company’s payments.

38. The Company continued its growth. In August of 2007, the Company acquired the assets of WURP (WLFP) a 2,000 watt day-time power and 4 watt night time power, non-directional AM station, licensed to Braddock, Pennsylvania, which covers the city of Pittsburgh. The purchase price was \$235,000.

#### **EVENTS LEADING UP TO THIS CIVIL ACTION**

39. Over one year after the closing of the loan, Barker informed me that, in response to economic conditions, the Plaintiff suffered a liquidity crisis and needed the Company to prepay the loan in order to avoid foreclosure against the Plaintiff by the Plaintiff's creditors. This fact explained the Plaintiff's motivation in fabricating the event of default and continually threatening. In response, the Company began looking for refinancing, but apparently did not proceed fast enough for the Plaintiff. Over two years after Mr. Barker first threatened to call the loan in default (literally, right after the closing), the Plaintiff sent letters dated February 6, 2008 and April 24, 2008, asserting that the Company was in default for its non-compliance with the financial covenants in the Financing Agreement.

40. The Company's counsel responded by letter dated May 16, 2008, denying the existence of any events of default. A copy of the Company's May 16<sup>th</sup> letter is attached hereto as **Exhibit K**. The Plaintiff, instead of proceeding against the Company, initiated this civil action against the guarantors.

41. Based on the following facts, I am informed and believe that the Plaintiffs' declaration of default under the Financing Agreement was dishonest, was made in bad faith and for improper purposes. The facts supporting this are as follows:

(a) Prior to the closing, the Company supplied the Plaintiff with voluminous financial information which accurately and completely represented the financial condition of the

Company and its subsidiaries. The Company had fully disclosed to the Plaintiff, and the Plaintiff was fully aware of, the Company's financial condition at the time of the closing of the Financing Agreement. This information was provided to and reviewed by the Plaintiffs' certified public accountants. Such financial information is attached to this verification as **Exhibits D** through **J**, and was referenced in, and incorporated by, the Financing Agreement. In particular, the Plaintiff was aware at and before the time of the closing that the financial covenants in the Financing Agreement did not reflect the Company's (i) Fixed Charge Coverage Ratio, (ii) Consolidated EBITDA and (iii) Net Cash Revenue. The Company has experienced no material adverse change to its financial condition since the closing. Therefore, the Plaintiff and its accountants knew when they drafted the financial covenants and when they closed the loan that such covenants were incorrect and unsupported by the financial information.

(b) When I informed the Plaintiff at closing that the financial covenants were incorrect, and that the Company would be in non-compliance with the loan documents as of day one, the Plaintiff still insisted that the Company sign the documents, as drafted. To induce the Company to sign, the Plaintiff represented that the Plaintiff would immediately change the financial covenants to reflect the Company's financial statements. Despite the Company's efforts, the Plaintiff failed to make such changes.

(c) The Plaintiff admitted in writing that the Company was not in default under the Financing Agreement. In October of 2007, the Plaintiff issued a Confidential Private Placement Memorandum ("Memorandum"), pursuant to which the Plaintiff sought additional financing. A copy of the Memorandum is attached hereto as **Exhibit L**. At page 6 of the Memorandum, the Plaintiff lists all of its assets, including its loan to the Company. The projected gross IRR of 16.65% is based on the contract rate of interest, not the default rate of

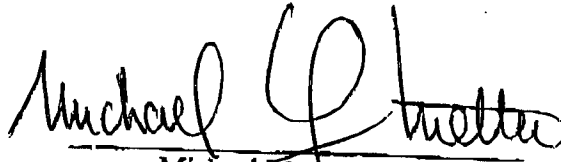
interest. As the Memorandum was issued approximately one year after the closing, the listing of the rate of return at the non-default rate shows that the Plaintiff did not consider the loan in default. In addition, the Memorandum at pages 8 through 12 lists five outstanding loan assets, including the Plaintiff's loan to the Company. As would be expected, the Plaintiff specifically identifies those loans which are troubled and those loans which are in default. For example, the Memorandum describes a loan to I.L. Film Distributors, Ltd., with the following notation: "Effective August 15, 2007, a default under the loan was declared and interest at the default rate (standard rate plus 4%) began accruing even though I.L. Film has satisfied all payment obligations under the loan." The Plaintiff's loan to the Company is not identified as being in default, and there is no mention of the Company's non-compliance with financial covenants. If the Plaintiff considered the Company to be in default, the Plaintiff would have listed it in the Memorandum.

(d) The Plaintiff considered the financial covenants in the Financing Agreement to be immaterial and of no relevance. At page 9 of the Memorandum, the Plaintiff describes its basis for underwriting the loan to the Company as follows: "The loan is personally guaranteed by four high net worth individuals with a combined net worth of \$31.5 million. At the commencement of the loan, we valued the network at \$4.5 to \$5.0 million, but assumed a zero valuation in terms of liquidation, and we valued the radio stations at \$6.0 to \$6.5 million on a liquidation basis." As the Plaintiff admits that it underwrote the loan based upon the liquidation value of the company and the net worth of the guarantors, the Company's financial performance was simply not a factor or consideration. By the Plaintiff's own admission, the financial performance covenants are immaterial.



42. The Plaintiff is acting in bad faith and has used the financial covenants as a pretext for improperly declaring default. On information and belief, the Plaintiff has experienced a liquidity crisis and is under severe financial pressures. As a result of those pressures, the Plaintiff is attempting to liquidate its assets as quickly as possible. In an effort to pressure the Company into prepaying its loan, the Plaintiff manufactured an event of default and attempted to charge default interest and charges. While the Company disputed the default interest and default charges, the Company has continued to pay at the contract rate. Nevertheless, the Plaintiff continued in its dishonest course of conduct and used the Company's supposed default as a pretext for commencing this civil action against the guarantors.

I declare under penalties of perjury under the laws of the United States of America, that  
the foregoing is true and correct.

  
Michael Metter

143303v1 SDR

## **EXHIBIT A**

6:03 PM  
08/06/08

**Business TalkRadio.Net**  
**Vendor QuickReport**  
April 1, 2006 through August 6, 2008

Type	Date	Num	Memo	Account	Clr	Split	Amount
<b>BC MEDIA FUNDING COMPANY II, LLC</b>							
Check	9/18/2006	3435	<i>Loan Origination Fee</i>	1005 · Patriot Natio...	X	1451 · Radio ...	-50,000.00
Check	1/2/2007		FEES & CHA...	1007 · Savings Acc...	X	-SPLIT-	-15,473.24
Check	1/12/2007			1007 · Savings Acc...	X	6220 · Loan In...	-60,631.25
Check	1/31/2007			1007 · Savings Acc...	X	6220 · Loan In...	-63,227.08
Check	1/31/2007			1007 · Savings Acc...	X	6121 · BC Ad...	-2,300.00
Check	4/2/2007	wire		1005 · Patriot Natio...	X	6220 · Loan In...	-53,227.08
Check	5/1/2007	WIRE	APRIL	1005 · Patriot Natio...	X	6220 · Loan In...	-61,187.50
Check	5/1/2007	WIRE	APRIL	1005 · Patriot Natio...	X	6121 · BC Ad...	-2,300.00
Check	5/31/2007	wire	may	1005 · Patriot Natio...	X	6220 · Loan In...	-53,227.08
Check	7/2/2007	WIRE	JUNE	1005 · Patriot Natio...	X	6121 · BC Ad...	-2,300.00
Check	7/2/2007	WIRE	JUNE	1005 · Patriot Natio...	X	6220 · Loan In...	-41,187.50
Check	7/3/2007	WIRE	JUNE PRINC...	1005 · Patriot Natio...	X	2515 · Note P...	-24,000.00
Check	8/1/2007	WIRE	PRINCIPAL ...	1005 · Patriot Natio...	X	2515 · Note P...	-27,000.00
Check	8/1/2007	WIRE	INTEREST - ...	1005 · Patriot Natio...	X	6220 · Loan In...	-62,968.98
Check	8/1/2007	WIRE	JULY FEE	1005 · Patriot Natio...	X	6121 · BC Ad...	-2,300.00
Check	8/31/2007	WIRE	admin fee	1005 · Patriot Natio...	X	1300 · Prepaid...	-2,300.00
Check	8/31/2007	wire	AUGUST INT...	1005 · Patriot Natio...	X	6220 · Loan In...	-62,640.80
Check	8/31/2007	WIRE	AUGUST PR...	1005 · Patriot Natio...	X	2515 · Note P...	-23,000.00
Check	10/1/2007	Wire	September In...	1005 · Patriot Natio...	X	6220 · Loan In...	-59,384.55
Check	10/1/2007	Wire	September P...	1005 · Patriot Natio...	X	2515 · Note P...	-45,000.00
Check	10/1/2007	Wire	October Adm...	1005 · Patriot Natio...	X	6121 · BC Ad...	-2,300.00
Check	10/9/2007	wire	legal fees	1005 · Patriot Natio...	X	6280 · Legal F...	-4,500.00
Check	11/1/2007	Wire	October Prln...	1005 · Patriot Natio...	X	2515 · Note P...	-64,000.00
Check	11/1/2007	Wire	October Inter...	1005 · Patriot Natio...	X	6220 · Loan In...	-59,542.26
Check	11/1/2007	Wire	November A...	1005 · Patriot Natio...	X	6121 · BC Ad...	-2,300.00
Bill	11/21/2007		legal fees	2000 · Accounts Pa...		6280 · Legal F...	-3,500.00
Bill Pmt -Check	11/21/2007	2012	legal fees	1005 · Patriot Natio...	X	2000 · Accoun...	-3,500.00
Check	11/29/2007	Wire	Principal, Inte...	1007 · Savings Acc...		2515 · Note P...	-144,128.50
Check	12/28/2007	Wire	December Int...	1007 · Savings Acc...		6220 · Loan In...	-55,963.40
Check	12/28/2007	Wire	January Adm...	1007 · Savings Acc...		1300 · Prepaid...	-2,300.00
Check	1/31/2008	wire		1007 · Savings Acc...		6121 · BC Ad...	-2,300.00
Check	1/31/2008	Wire	Jan Interest	1007 · Savings Acc...		6220 · Loan In...	-55,266.97
Check	2/29/2008	wire		1007 · Savings Acc...		-SPLIT-	-53,287.72
Bill	3/7/2008		legal fees	2000 · Accounts Pa...		2095 · Accrue...	-4,000.00
Bill Pmt -Check	3/7/2008	2165	legal fees	1005 · Patriot Natio...		2000 · Accoun...	-4,000.00
Check	3/31/2008	wire		1007 · Savings Acc...		-SPLIT-	-56,804.11
Bill	4/7/2008		legal fees	2000 · Accounts Pa...		2095 · Accrue...	-2,500.00
Bill Pmt -Check	4/7/2008	2213	legal fees	1005 · Patriot Natio...		2000 · Accoun...	-2,500.00
Check	4/30/2008	wire		1007 · Savings Acc...		-SPLIT-	-89,045.92
Check	6/2/2008	Wire		1007 · Savings Acc...		-SPLIT-	-95,449.85
Check	6/2/2008	wire		1007 · Savings Acc...		-SPLIT-	-86,309.83

*A/s* \$137,500 Closing Fee (2 1/2 %)  
97,500 Admin Comp Less 1

## **EXHIBIT B**

Reminder: AOL will never ask you to send us your password or credit card number in an email. This message has been scanned for known viruses.

**From:** Greenwich4@aol.com

**To:** MOTMARSHAL@aol.com

**Subject:** Fwd: financial due diligence for BC Media

**Date:** Tue, 19 Sep 2006 12:39 PM

Attached Message

**From:** jweeks@Withum.com

**To:** mmetter@businesstalkradio.net

**Cc:** jjb@barkercap.com; jemmons@Withum.com

**Subject:** financial due diligence for BC Media

**Date:** Mon, 18 Sep 2006 4:23 PM

Hi Michael,

I just left you a voice mail. We're working with Jacob Barker on the financial due diligence for the term loan transaction.

In light of the tight schedule, I would like to visit your offices in Greenwich on Wednesday 9/20 around noon to begin our procedures. I would anticipate we'll be there all day Thursday and perhaps Friday.

It would be helpful if we had the following financial information before then:

- 1) Detailed balance sheets and income statements for all entities for the years ended December 31, 2004 and 2005 and for year to date 2006.
- 2) Summary accounts receivable agings for all entities as of 8/31/2006. *WCH*
- 3) Audited financial statements and footnotes for the years ended December 31, 2005 and 2004.

Thanks and I look forward to working with you.

Regards,

Jim Weeks

James F. Weeks, CPA, CVA

**WithumSmith+Brown**

3040 Route 22 West, Suite 110

Somerville, NJ 08876

t. 908-526-6363 ext 312

f. 908-526-9944

jweeks@withum.com

To ensure compliance with U.S. Treasury rules, unless expressly stated otherwise, any U.S. tax advice contained in this communication (including attachments) is not intended or written to be used, and cannot be used, by the recipient for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code.

This email transmission, and any documents, files or previous email messages attached to it may contain confidential information that is legally privileged. If you are not the intended recipient or a person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of any of the information contained in or attached to this transmission is STRICTLY PROHIBITED. If you have received this

transmission in error, please immediately notify the sender. Please destroy the original transmission and its attachments without reading or saving it in any manner. Visit our website at... [www.withum.com](http://www.withum.com)!

## **EXHIBIT C**



**BUSINESS TALK RADIO  
SUGGESTED PROCEDURES**

- **Background and Nature of Operations**
  - Gain an understanding of the business operations, relationship and transactions of Business Talk Radio ("BTR"), the radio station group and corporate administration.
  - Identify related parties and related party transactions
- **Internal Control**
  - Gain an understanding of the internal control structure at BTR, the radio stations and at corporate headquarters. Document the flow of transactions for the revenue, cash receipt, cash disbursement, payroll, barter and capital acquisition cycles. Identify and report on deficiencies in internal accounting controls based on our procedures. We will not perform a test of the internal control system.
- **Revenues**
  - Obtain a schedule of sales by month by station for 2004, 2005 and year to date 2006. Discuss with the business manager any unusual material fluctuations.
  - Trace reported revenues for three months selected at random from the sales journal and trace totals to the general ledger.
  - Select 6 sales transactions per station from the sales journal. Trace to invoice. Trace invoice to the sales journal, accounts receivable aging, traffic log and sales contract. Trace subsequent payment of the invoice to the cash receipts journal verifying subsequent collection. Expand sample if necessary based on test results.
- **Accounts Receivable**
  - Obtain the June 30, 2006 detailed accounts receivable aging.
    - Verify the clerical accuracy of the report.
    - Check for proper aging of invoices.
    - Review the report for obvious questionable items including: unusual amounts and negative values. Discuss all significant items with management and follow up accordingly.
    - Obtain a list of customers who account for 10% or more of total station revenue
    - Review credit memos issued after year end
    - Inquire and identify any receivables from related parties
    - Document accounting for barter transaction and trade sales for 2005
  - Select a sample of accounts receivable customer balances for testing.
    - Obtain subsequent receipt records. Trace to copy of check received from customer, deposit slip and bank statement.
    - Obtain documents sufficient to validate remaining unpaid invoices.
    - Expand testing as necessary.
  - Review the Adequacy of the Bad Debt Reserve
    - Obtain the December 31, 2005 accounts receivable detailed aged trial balance. Inquire as to the status of all invoices aged over 90 days and any known bad debts.
    - Inquire as to receivables in collection
    - Recompute bad debt reserve based on findings

**BUSINESS TALK RADIO  
SUGGESTED PROCEDURES (CONTINUED)**

- **Property and Equipment**

- Obtain through inquiry of management an understanding of the Company's capitalization policy.
- Obtain a detailed list of fixed assets at December 31, 2005 and fixed asset additions for 2005.
- Tie schedule to the trial balance.
- Select sample of additions constituting at least 50% of the total dollar amount of the additions. Large and small amounts should be selected for testing. Trace to invoice and determine if cost has been properly capitalized.
- Quantify all items that should have been expensed.
- Determine that any capital leases have been properly capitalized

- **Payroll**

- Obtain a listing of all employees, positions and current salaries
- Confirm with management that all payroll tax filings and payments are current.
- Inquire of the existence of all employment agreements and obtain copies.
- Determine that salaries were properly accrued at December 31, 2005 and year to date 2006.

- **Accounts Payable and Accrued Expenses**

- Obtain a listing of all payables at June 30, 2006. Verify clerical accuracy and trace to general ledger.
- Obtain the cash disbursement records subsequent to period-end and perform a search for unrecorded liabilities.
- Inquire as to the existence of pending or threatened litigation for possible disclosure and accrual.
- Obtain copies of all lease agreements. Trace annual expense to the general ledger.

- **General**

- Obtain historical balance sheet and profit and loss data for the December 31, 2004 and 2005. Compute fluctuations from year to year and inquire of management or perform other procedures to understand the reasons for any material variances.
- Obtain copies of tax returns for 2004 and 2005. Trace reported book income and loss on the tax returns to the financial statements reviewed in the previous procedure.

- **Broadcast Cash Flow**

Review the classification of all items classified as corporate administration. Determine that all items are properly classified as "below the line" deductions.

Recompute Broadcast Cash Flow based upon the results of our procedures.

## **EXHIBIT D**

September 24, 2006

✓ Joy { 1) We attempted to agree the EBITDA, revenues and total costs for 2004 and 2005 disclosed in the Media Capital Solutions Financing Request dated 8/18/2006, page 3, using the QuickBooks financial statements you provided and were not successful. Please provide a schedule and/or reconciliation.

2) We have asked Steve Levine of Glass Jacobson to reconcile the 2005 and 2004 QuickBooks losses to the book losses reported on the consolidated tax returns.

Joy - 3) What are the terms of new studio and office leases (term, annual rental, renewal options)

Pat - 4) What were the terms of the Lifestyle Talk Radio Network acquisition in 2004 (assets acquired, price, payment terms, earnouts, date acquired)

NO 5) Is there key-man life insurance on any of the principals or members of management?

Michael - 6) What due diligence was performed on the pending acquisitions of WBET-AM and KNUU-AM? Who performed the investigation? If a report was issued, please provide a copy. Asset Acquisition

Pat - 7) Can you give me a history of the ownership of BusinessTalkradio from 1988 to the present? I have the timeline as presented in the PPM, but I'm looking for the individuals who owned those entities. When did the current management group become involved?

Pat - 8) What is the current ownership (in %'s) of BTR?

Michael - 9) How many affiliates to you have in your network? Can you provide a list? Also, please provide a standard affiliate contract.

Michael - 10) What is the ongoing contractual relationship with Cohen Radio Properties? Please provide a copy of any existing contract. (None)

11) Are sponsorship and program revenue new sources of revenue? I don't see these line items in 2004, but they may have been grouped differently.

Michael - 12) KNUU-AM - are there 2006 QuickBooks financials? We only have a total revenue and total expense schedule by month - no account detail.

Michael - 13) WBET-AM - I have 2006 and 2004 financial data but nothing for 2005.

Michael Pat.  
- See attached -

**From:** Greenwich4@aol.com  
**To:** jweeks@Withum.com  
**Cc:** MOTMARSHAL@aol.com; patrickjoneil@hotmail.com  
**Subject:** Re: BTR questions and open items  
**Date:** Mon, 25 Sep 2006 10:14 am

Jim

Please find below the responses to your question either by me in full below or who will answer them

1. Joy Marshall
2. Glass Jacobson
3. I will fax to you a copy of the leases.
4. This we discussed Pat O'Neil will send you a copy of the acquisition and a copy of the terms. He is available to discuss. I am very sure that we discussed this on Thursday or Friday.
5. There is not key man Insurance.
6. The due diligence was performed by myself, Jeffrey Weber my executive VP and Jim Servino the New GM. on KNUU We are a privately held copy and NO report was issued as we did our due diligence over three different visits and I discussed my results with our main partners as who agreed that we should move forward. WBET the due diligence was done by Myself and Jeffrey Weber. We visited the station and of course the tower sites and studios. The discussion was had with the key Investors and the board and the decision was made to move forward. Due diligence has continued on both stations, by reviewing all contracts that we might assume and reviewing tax returns and quick books. We are buying a stick first and foremost. Both stations have revenues and do have cash flow. We are extremely familiar with the station in Vegas since it carries programming from our network as we discussed. All contracts and assumptions have been reviewed by our attorney and Pat O'Neil who is a shareholder in our Business
7. Pat O'Neil
8. Pat O'Neil
9. I will provide this to you, and of course as we discussed in my office that this is our Bible and has to be held in the strictest of confidences.
10. There is NO contractual relationship with Cohen Radio Properties, He carries our programming on KNUU. That is it. We have made an asset purchase and after the closing of the station, there will be no further relationship with Ron Cohen.
11. Joy Marshall will answer your question.
12. I will check with Ron Cohen if he is on Quick books, at this late date, I am sure we will have to go on what is provided at this late date. He is absentee His tax returns make me comfortable plus he has been in business for many years. The stick Value and growth of the markets are very strong and again we are buying someone's privately held Business. I will ask him if we can provide detail.
13. Will get 2005 from the seller

## **EXHIBIT E**



## FAX COVER SHEET

Please

Deliver To: Jim Weeks

Fax Number: (908) 526-9944

From: Joy Marshall

Fax Number: (203) 422-2288

Date: 9/25/06

Time: \_\_\_\_\_

Number of pages (including this page): 9

Comments: Jim -

Please find the attached

(1) fax from Glass Jacobson

(2) WBET December 2005 yearend reports

Thank you -

Joy Marshall

FAXED

SEP 25 2006

P.O. Box 4826 \* Greenwich, CT 06831 \* (203) 422-2800 \* Fax: (203) 422-2288

[www.businessradio.net](http://www.businessradio.net)

[www.lifestylertalkradio.com](http://www.lifestylertalkradio.com)



Member American Institute of Certified Public Accountants, Division of Private Companies Practice  
Member Maryland Association of Certified Public Accountants  
Member National Association of Certified Valuation Analysts

*Providing professional services for businesses and individuals in:*

- ▲ Accounting & Auditing
- ▲ Banking Relationships
- ▲ Business Valuation
- ▲ Estate & Trust Planning
- ▲ Information Technology & Computer Consulting
- ▲ Insurance
- ▲ Investment Advisory
- ▲ Litigation Support
- ▲ Merger & Acquisitions
- ▲ Personal & Business Financial Planning
- ▲ Tax

10711 Red Run Boulevard, Suite 101  
Owings Mills, Maryland 21117

Phone: (410) 356-1000 Fax: (410) 356-2892  
(800) 356-7666

Email: [jody.pollinger@glassjacobson.com](mailto:jody.pollinger@glassjacobson.com)  
Website: [www.glassjacobson.com](http://www.glassjacobson.com)

To: Joy Marshall

Company: BusinessTalkRadio.net

Fax Number: 1-203-869-3636

Number of Pages (including cover): 4

From: Jody Pollinger  
Date: 9/22/06

Joy,

Please give this to Mr. ~~Wheat~~

*Weeks*

CONFIDENTIALITY NOTICE: This fax contains confidential information which may also be legally privileged and which is intended only for the use of the addressee(s) named above. If you are not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination or copying of this fax, or the taking of any action in reliance on the contents of this telecopied information, may be strictly prohibited. If you have received this fax in error, please notify us immediately by telephone and we will arrange for the original to be returned to us. Thank you!



Date	Prepared By	Work Paper No.
	Reviewed By	

Balance 04 RE F/S <1,226,431>

2003 F/S Dep. assets from purchase

33822

2004 "

67644

> 152484

Greenwich <sup>2003</sup> Open RE

51012

Balance 04 RE T/R <1,073,947>

Balance 05 RE F/S

<1,953,462>

2005 Dep. & above

67643

Above

152484

T/R

<1,733,335>

Greenwich Broadcasting Corporation [17625001]  
**Depreciation Expense**  
Financial

6/22/2  
11:47:57

01/01/2004 - 12/31/2004

System No.	S	Description	Date in Service	Method / Conv.	Life	Cost / Other Basis	Sec. 179 / Bonus	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
------------	---	-------------	-----------------	----------------	------	--------------------	------------------	--------------------------	----------------------	--------------------

**Bldg improvements**

16 Bldg improvements

Subtotal: Bldg improvements

Less dispositions and exchanges:

Net for: Bldg improvements

**Furniture & fixtures**

13 Furniture

14 Furniture

15 Furniture

19 3 Toshiba notebook computers

20 3 Intel 2.4 GHz computers

Subtotal: Furniture & fixtures

Less dispositions and exchanges:

Net for: Furniture & fixtures

**Other (consolidating entry)**

17 Furniture (FMV markup from stock sale)

18 Equipment (FMV markup from stock sale)

Subtotal: Other (consolidating entry)

Less dispositions and exchanges:

Net for: Other (consolidating entry)

**Studio & office equipment**

2 Transmitter

3 Audisk

4 Studio & office equipment

5 Equipment

6 Equipment

7 Equipment

8 Transmitter

11 Control room equipment

10 Audio console, Zephyr audio codec rack m

12 Talkshow system w/ switch console

Subtotal: Studio & office equipment

Less dispositions and exchanges:

Net for: Studio & office equipment

1 Transportation equipment

D WGCH Plymouth van

7/25/2002 SL / N/A

5,0000 4,931.00 0.00 1,972.20 410.92 2,383

29,495.70 0.00 29,495.70 0.00 29,495.70 0.00 29,495.70

56,128.57 0.00 56,128.57 0.00 56,128.57 0.00 56,128.57

282,956.00 0.00 282,956.00 0.00 282,956.00 0.00 282,956.00

8,950.00 0.00 8,950.00 0.00 8,950.00 0.00 8,950.00

4,415.00 0.00 4,415.00 0.00 4,415.00 0.00 4,415.00

10,308.00 0.00 10,308.00 0.00 10,308.00 0.00 10,308.00

13,851.00 0.00 13,851.00 0.00 13,851.00 0.00 13,851.00

8,840.00 0.00 8,840.00 0.00 8,840.00 0.00 8,840.00

9,638.00 0.00 9,638.00 0.00 9,638.00 0.00 9,638.00

760.00 0.00 760.00 0.00 760.00 0.00 760.00

425,342.27 0.00 425,342.27 0.00 425,342.27 0.00 425,342.27

0.00 0.00 0.00 0.00 0.00 0.00 0.00

425,342.27 0.00 425,342.27 0.00 425,342.27 0.00 425,342.27

386,415.58 0.00 386,415.58 0.00 386,415.58 0.00 386,415.58

11,362.40 0.00 11,362.40 0.00 11,362.40 0.00 11,362.40

11,352.40 0.00 11,352.40 0.00 11,352.40 0.00 11,352.40

397,767 0.00 397,767 0.00 397,767 0.00 397,767

01/01/2004 - 12/31/2004  
Sorted: General - category

Greenwich Broadcasting Corporation [17625001]  
**Depreciation Expense**

Financial

01/01/2004 - 12/31/2004

6/22/12  
11:47:51

System No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Sec. 179 / Bonus	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
Section 179 Included in Depreciation Via										
Subtotal: Transportation equipment						4,931.00	0.00	1,972.20	410.92	2.38
Less dispositions and exchanges:						4,931.00	0.00	1,972.20	0.00	2.38
Net for: Transportation equipment						0.00	0.00	0.00	410.92	
Subtotal:						836,274.27	0.00	463,877.90	84,341.02	548.21
Less dispositions and exchanges:						9,428.00	0.00	2,346.95	0.00	3.65
Grand Totals:						826,846.27	0.00	461,530.95	84,341.02	544.56

167,648.72  
16,697.31

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:35a  
BALANCE SHEET  
Accounting Period: December 2005

Page: 1

Original Draft

Balance  
end of  
December  
2005  
-----

ASSETS

CURRENT ASSETS	
1101-00-0	BERKSHIRE BANK CHECKING 4,188.86
1104-00-0	BERK BANK MONEY MARKET 1,013.02
1106-00-0	ROCKLAND TRUST 9,211.99
1121-00-0	ACCOUNTS RECEIVABLE 24,870.71
1128-00-0	PREPAID INSURANCE 1,056.59
	-----
TOTAL CURRENT ASSETS	40,341.17

FIXED ASSETS	
1150-00-0	BUILDING IMPROVEMENT - CARPET 2,317.50
1151-00-0	ACCUM DEP - CARPET (2,317.50)
1152-00-0	GOODWILL 40,000.00
1153-00-0	AMORT - GOODWILL (9,555.57)
1158-00-0	START UP 16,460.06
1159-00-0	AMORT - START UP (16,460.06)
1160-00-0	WBET LICENSE 200,000.00
1161-00-0	AMORT - WBET LICENSE (47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP 313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH (291,837.28)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN 6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE (5,627.92)
1174-00-0	WBET EQUIP RELOCATION 10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT (3,666.67)
	-----
TOTAL FIXED ASSETS	212,338.91

OTHER ASSETS	
1180-00-0	INTERCO - WMVY 1,801,842.11
	-----
TOTAL OTHER ASSETS	1,801,842.11
TOTAL ASSETS	2,054,522.19

LIABILITIES AND CAPITAL

CURRENT LIABILITIES	
2210-00-0	ACCOUNTS PAYABLE 3,995.71
	-----
TOTAL CURRENT LIABILITIES	3,995.71

CAPITAL ACCOUNTS	
2299-00-0	RETAINED EARNINGS 2,088,681.12
	-----
TOTAL CAPITAL ACCOUNTS	2,088,681.12

TOTAL LIABILITIES AND CAPITAL	2,092,676.83
-------------------------------	--------------

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:35a  
BALANCE SHEET  
Accounting Period: December 2005

Page: 2

Original Draft

Balance  
end of  
December  
2005  
-----

Net Income (38,154.64)

SUMMARY:

TOTAL ASSETS	2,054,522.19
TOTAL LIABILITIES AND CAPITAL	2,092,676.83
Net Income	(38,154.64)

Balance

0

## **EXHIBIT G**



## FAX COVER SHEET

Please

Deliver To: Jim Weeks

Fax Number: 908 526-9944

From: Jay Marshall

Fax Number: (203) 422-2288

Date: 9/27/06

Time: \_\_\_\_\_

Number of pages (including this page): \_\_\_\_\_

Comments: Business Talk  
WCHH Sales Analyzer Report  
Lifestyle Booked Revenue

**FAXED**

SEP 27 2006

P.O. Box 4826 \* Greenwich, CT 06831 \* (203) 422-2800 \* Fax: (203) 422-2288

[www.businesstalkradio.net](http://www.businesstalkradio.net)

[www.lifestylletalkradio.com](http://www.lifestylletalkradio.com)

Date: 9/27/06

## WGCH SALES ANALYZER REPORT

Time: 3:06p

6 MTH TOTALS (CASH)

Page 1

## Report-wide instructions:

Columns include Gross amounts  
Columns include only Billing rates  
Columns include Broadcast Month accounts only  
Columns include Broadcast & Non-Broadcast charges  
Columns include Co-op & Non-Co-op accounts  
Account number range: 10,000 to 99,999  
Columns include Scheduled spots

## Detail Columns:

A Contract Number = Contract number  
B Jul'06 Amount = Gross, Jul'06 MTWTFSS  
C Aug'06 Amount = Gross, Aug'06 MTWTFSS  
D Sep'06 Amount = Gross, Sep'06 MTWTFSS  
E Oct'06 Amount = Gross, Oct'06 MTWTFSS  
F Nov'06 Amount = Gross, Nov'06 MTWTFSS  
G Dec'06 Amount = Gross, Dec'06 MTWTFSS



Date: 9/27/06

# WGCH SALES ANALYZER REPORT Time: 3:06p 6 MTH TOTALS (CASH)

Page 2

## 2 HOUSE

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount
16408	BOB FARR FOR ATTORNEY GEN	\$300	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
31683	EMC2 (EMC SQUARED)	\$150	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
34112	FINANCE/EQUITIES ANALYST	\$0	\$176.46	\$0.00	\$0.00	\$0.00	\$0.00
34251	FIRST CHURCH OF CHRIST SC	\$825	\$660.00	\$660.00	\$825.00	\$660.00	\$825.00
34294	1ST CHURH OF CHRIST-STAMF	\$875	\$700.00	\$700.00	\$350.00	\$0.00	\$0.00
34331	FIRST CONGREG CHURCH	\$1,150	\$920.00	\$920.00	\$1,150.00	\$920.00	\$920.00
34471	FIRST UNITED METHODIST CH	\$500	\$400.00	\$400.00	\$500.00	\$400.00	\$500.00
41241	GREENWICH HOSPITAL	\$0	\$0.00	\$1,350.00	\$2,250.00	\$1,350.00	\$1,350.00
44054	HERBASWAY	\$0	\$0.00	\$175.00	\$175.00	\$0.00	\$0.00
46631	IRA KLEINMAN PRODUCTIONS	\$500	\$400.00	\$600.00	\$750.00	\$600.00	\$750.00
47562	JOHN GRECO THE WAKE UP CA	\$500	\$400.00	\$400.00	\$500.00	\$400.00	\$500.00
52468	MARION JOYCE	\$450	\$300.00	\$150.00	\$450.00	\$150.00	\$450.00
54076	METROPOLITAN PGA	\$313	\$250.00	\$250.00	\$62.50	\$0.00	\$0.00
55749	MULTI/MUENCH CO	\$200	\$80.00	\$20.00	\$0.00	\$0.00	\$0.00
56469	NED LAMONT FOR US SENATE	\$749	\$1,053.51	\$0.00	\$0.00	\$0.00	\$0.00
56485	NEW CANAAN FARMERS MARKET	\$100	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
65373	RADIO AD-CENTURY 21 REALT	\$60	\$140.00	\$380.00	\$0.00	\$0.00	\$0.00
66034	REAL ESTATE GUYS	\$875	\$700.00	\$175.00	\$0.00	\$0.00	\$0.00
69542	SCHLESINGER US SENATE COM	\$1,506	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
69884	SECOND CONG. CHURCH	\$625	\$500.00	\$500.00	\$625.00	\$500.00	\$500.00
79011	THE GARY GOLDBERG SHOW	\$1,015	\$846.20	\$803.89	\$1,057.75	\$846.20	\$1,057.75
Grand Total		\$10,693	\$7,526.17	\$7,483.89	\$8,695.25	\$5,826.20	\$6,852.75

### Totals for Income Account:

1 Local Direct	\$5,113	\$3,830.00	\$5,230.00	\$7,112.50	\$4,980.00	\$5,795.00
2 Local Agency	\$875	\$700.00	\$700.00	\$350.00	\$0.00	\$0.00
3 Regional Agency	\$1,015	\$846.20	\$803.89	\$1,057.75	\$846.20	\$1,057.75
4 National Agency	\$1,135	\$1,096.46	\$750.00	\$175.00	\$0.00	\$0.00
5 Political-Local	\$300	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7 Political-Nat	\$2,255	\$1,053.51	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	\$10,693	\$7,526.17	\$7,483.89	\$8,695.25	\$5,826.20	\$6,852.75

Date: 9/27/06

# WGCH SALES ANALYZER REPORT Time: 3:06p 6 MTH TOTALS (CASH)

Page 1

4 Mark Yusko

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount
10406	KARL CHEVROLET & HUMMER	\$750	\$750.00	\$2,090.00	\$2,450.00	\$1,460.00	\$249.00
11543	AITORO	\$1,000	\$1,000.00	\$1,566.66	\$2,048.66	\$1,206.66	\$640.00
15667	BENNETT'S STEAK & FISH	\$0	\$0.00	\$833.25	\$833.25	\$833.25	\$0.00
16301	BMW OF GREENWICH	\$1,832	\$1,752.00	\$2,318.32	\$2,593.32	\$2,418.32	\$175.00
17988	BRUCE PARK SPORTS	\$0	\$0.00	\$550.00	\$550.00	\$550.00	\$0.00
19465	CADILLAC OF GREENWICH	\$80	\$1,560.00	\$2,960.00	\$3,200.00	\$2,400.00	\$0.00
27115	CRYSTAL ROCK WATER	\$942	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
28134	GARDEN CATERING	\$0	\$0.00	\$833.33	\$983.33	\$933.33	\$0.00
53196	MODERNOT PAINT & WALLPAP	\$260	\$260.00	\$1,099.66	\$1,475.66	\$1,136.66	\$297.00
59820	OSCAR THOMPSON PLUMBING &	\$0	\$0.00	\$0.00	\$240.00	\$240.00	\$240.00
60097	PACKAGES PLUS AND MORE	\$0	\$0.00	\$755.00	\$605.00	\$605.00	\$0.00
61145	PATRIOT NATIONAL BANK	\$0	\$666.66	\$666.66	\$666.66	\$0.00	\$0.00
63351	PORICELLI'S FOOD MART	\$0	\$0.00	\$825.00	\$825.00	\$825.00	\$0.00
68347	SHORE & COUNTRY PROPERTIE	\$400	\$320.00	\$1,460.00	\$1,700.00	\$1,580.00	\$0.00
81795	TOYOTA OF GREENWICH	\$1,300	\$1,300.00	\$1,884.00	\$1,200.00	\$0.00	\$0.00
88444	RICK LOH of SHORE & COUNT	\$0	\$0.00	\$120.00	\$600.00	\$480.00	\$0.00
88452	WILLIAM S. DUNSTER LANDSC	\$0	\$0.00	\$332.00	\$332.00	\$332.00	\$0.00
Grand Total		\$6,564	\$7,608.66	\$18,293.88	\$20,302.88	\$15,000.22	\$1,601.00

## Totals for Income Account:

1 Local Direct	\$3,322	\$4,642.00	\$14,176.56	\$16,387.56	\$13,793.56	\$961.00
2 Local Agency	\$942	\$666.66	\$666.66	\$666.66	\$0.00	\$0.00
3 Regional Agency	\$2,300	\$2,300.00	\$3,450.66	\$3,248.66	\$1,206.66	\$640.00
Grand Total	\$6,564	\$7,608.66	\$18,293.88	\$20,302.88	\$15,000.22	\$1,601.00

Date: 9/27/06

8 Cheryl Wittek

Acct	Ac Name
29680	DICK PILLAR ENTERPRISES

Grand Total

## WGCH SALES ANALYZER REPORT

Time: 3:06p

## 6 MTH TOTALS (CASH)

Page 1

Jul'06	Aug'06	Sep'06	Oct'06	Nov'06	Dec'06
Amount	Amount	Amount	Amount	Amount	Amount
\$25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

\$25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
------	--------	--------	--------	--------	--------

Totals for Income Account:

1 Local Direct	\$25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
----------------	------	--------	--------	--------	--------	--------

Date: 9/27/06

## WGCH SALES ANALYZER REPORT

Time: 3:06p

Page 1

18 LIZ

## 6 MTH TOTALS (CASH)

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount
10226	GREENWICH FIRE DEPARTMENT	\$500	\$0.00	\$0.00	\$880.00	\$880.00	\$1,100.00
10322	MINTEWAM PRESS	\$810	\$540.00	\$540.00	\$540.00	\$540.00	\$540.00
10559	A FASHIONABLE LIFE	\$1,250	\$1,100.00	\$1,100.00	\$1,375.00	\$1,100.00	\$1,375.00
10583	A-1 ELECTRICAL SERVICES	\$0	\$0.00	\$300.00	\$1,500.00	\$1,200.00	\$1,500.00
17064	BOY SCOUTS OF AMERICA	\$0	\$0.00	\$450.00	\$450.00	\$0.00	\$0.00
26235	COS COB TV & VIDEO	\$1,000	\$0.00	\$1,000.00	\$0.00	\$0.00	\$0.00
29575	ARTHUR MURRAY DANCE STUDI	\$0	\$0.00	\$0.00	\$2,100.00	\$1,050.00	\$1,050.00
31157	EDWARD MORTIMER (SOTHEBY)	\$0	\$0.00	\$166.66	\$166.66	\$166.66	\$0.00
37284	GENESIS DIVERSIFIED SERVI	\$0	\$0.00	\$0.00	\$1,500.00	\$1,200.00	\$1,200.00
38826	GR. INDEPENDENT INSURANCE	\$550	\$860.00	\$860.00	\$430.00	\$0.00	\$0.00
44880	HP CARPENTER & SONS	\$1,050	\$0.00	\$566.66	\$566.66	\$566.66	\$0.00
46789	J J CASSONE BAKERY	\$130	\$104.00	\$104.00	\$130.00	\$104.00	\$130.00
47781	MEMBERS CREDIT UNION	\$1,200	\$400.00	\$800.00	\$1,200.00	\$400.00	\$1,200.00
50702	LEXUS OF GREENWICH	\$1,338	\$162.16	\$304.05	\$1,195.93	\$0.00	\$0.00
54797	MONICA WEBSTER-INTERIOR D	\$1,000	\$800.00	\$800.00	\$1,000.00	\$800.00	\$1,000.00
56477	NEW COUNTRY AUDI OF GREEN	\$900	\$900.00	\$900.00	\$1,125.00	\$900.00	\$1,125.00
59096	OCEAN 211	\$800	\$600.00	\$600.00	\$800.00	\$600.00	\$800.00
68961	SALVATION ARMY/SOUTHERN N	\$0	\$750.00	\$0.00	\$930.00	\$0.00	\$0.00
69201	SAM BRIDGE NURSERY	\$500	\$0.00	\$1,500.00	\$2,800.00	\$1,250.00	\$1,000.00
71925	GR BUSINESS ROUNDTABLE SH	\$2,350	\$2,300.00	\$2,200.00	\$2,525.00	\$2,100.00	\$2,500.00
72442	SOFIA'S HAIR SALON & DAY	\$0	\$0.00	\$500.00	\$625.00	\$375.00	\$0.00
74667	STAMFORD THERAPEUTICS CON	\$475	\$350.00	\$0.00	\$0.00	\$0.00	\$0.00
75379	STEINWAY PIANO GALLERY	\$0	\$0.00	\$0.00	\$880.00	\$0.00	\$0.00
81269	TIGER LILY'S	\$0	\$0.00	\$0.00	\$1,050.00	\$600.00	\$600.00
83459	UNITED HOUSE WRECKING INC	\$0	\$0.00	\$900.00	\$1,500.00	\$1,200.00	\$1,500.00
Grand Total		\$13,853	\$9,466.16	\$13,591.37	\$25,269.25	\$15,032.32	\$16,620.00

Totals for Income Account:

1 Local Direct

\$13,853

\$9,466.16

\$13,591.37

\$25,269.25

\$15,032.32

\$16,620.00

Date: 9/27/06

23 M.A. DeFelice

Acct	Ac Name
50083	LE MANS 24 GARAGE

Grand Total

## WGCH SALES ANALYZER REPORT

Time: 3:06p

## 6 MTH TOTALS (CASH)

Page 1

Jul'06	Aug'06	Sep'06	Oct'06	Nov'06	Dec'06
Amount	Amount	Amount	Amount	Amount	Amount
\$0	\$0.00	\$0.00	\$500.00	\$0.00	\$0.00
\$0	\$0.00	\$0.00	\$500.00	\$0.00	\$0.00
\$0	\$0.00	\$0.00	\$500.00	\$0.00	\$0.00

\$0	\$0.00	\$0.00	\$500.00	\$0.00	\$0.00
-----	--------	--------	----------	--------	--------

Totals for Income Account:

1 Local Direct	\$0	\$0.00	\$0.00	\$500.00	\$0.00	\$0.00
----------------	-----	--------	--------	----------	--------	--------

Date: 9/27/06

32 Jim O'Neal

WGCH SALES ANALYZER REPORT  
Time: 3:06p  
6 MTH TOTALS (CASH)

Page 1

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount
30701	STICKLEY, AUDI & CO.	\$0	\$0.00	\$2,000.00	\$0.00	\$0.00	\$0.00
54658	MINCHIN BUICK - GMC TRUCK	\$3,000	\$2,400.00	\$2,400.00	\$3,000.00	\$2,400.00	\$3,000.00
61778	PEOPLE'S BANK	\$120	\$0.00	\$0.00	\$900.00	\$2,160.00	\$780.00
Grand Total		\$3,120	\$2,400.00	\$4,400.00	\$3,900.00	\$4,560.00	\$3,780.00

## Totals for Income Account:

1 Local Direct	\$3,000	\$2,400.00	\$2,400.00	\$3,000.00	\$2,400.00	\$3,000.00
2 Local Agency	\$120	\$0.00	\$2,000.00	\$900.00	\$2,160.00	\$780.00
Grand Total	\$3,120	\$2,400.00	\$4,400.00	\$3,900.00	\$4,560.00	\$3,780.00

Date: 9/27/06

# WGCH SALES ANALYZER REPORT Time: 3:06p 6 MTH TOTALS (CASH)

Page 2

## GRAND TOTALS

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount
Grand Total		\$34,255	\$27,000.99	\$43,769.14	\$58,667.38	\$40,418.74	\$28,853.75

## Totals for Income Account:

1 Local Direct	\$25,312	\$20,338.16	\$35,397.93	\$52,269.31	\$36,205.88	\$26,376.00
2 Local Agency	\$1,937	\$1,366.66	\$3,366.66	\$1,916.66	\$2,160.00	\$780.00
3 Regional Agency	\$3,315	\$3,146.20	\$4,254.55	\$4,306.41	\$2,052.86	\$1,697.75
4 National Agency	\$1,135	\$1,096.46	\$750.00	\$175.00	\$0.00	\$0.00
5 Political-Local	\$300	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7 Political-Nat	\$2,255	\$1,053.51	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	\$34,255	\$27,000.99	\$43,769.14	\$58,667.38	\$40,418.74	\$28,853.75

Date: 9/27/06

## BTR. N SALES ANALYZER REPORT

Time: 4:05p

1st Six Month Projection - Cash

\*=Account Total

Page 1

## 1 House

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
10322	1 MY/FLEISHMAN H	\$0	\$0	\$600	\$400	\$0	\$0	\$1,000
10322	1 MY/SOCIETY OF	\$1,600	\$1,200	\$1,600	\$0	\$0	\$0	\$4,400
10322*	Acct Totals:	\$1,600*	\$1,200*	\$2,200*	\$400*	\$0*	\$0*	\$5,400*
10416	1 THE BIG BIZ SH	\$0	\$0	\$0	\$3,000	\$6,000	\$7,500	\$16,500
10416*	Acct Totals:	\$0*	\$0*	\$0*	\$3,000*	\$6,000*	\$7,500*	\$16,500*
10719	1 AMERICAN LAND	\$1,375	\$825	\$0	\$0	\$0	\$0	\$2,200
10719*	Acct Totals:	\$1,375*	\$825*	\$0*	\$0*	\$0*	\$0*	\$2,200*
11148	1 ASK ANDREA	\$4,500	\$3,600	\$3,600	\$4,500	\$3,600	\$4,500	\$24,300
11148*	Acct Totals:	\$4,500*	\$3,600*	\$3,600*	\$4,500*	\$3,600*	\$4,500*	\$24,300*
13611	1 NBN/LUCENTIS	\$4,650	\$3,600	\$3,600*	\$4,500*	\$3,600*	\$4,500*	\$24,300*
13611	1 NBN/ALL STATE/	\$600	\$0	\$0	\$0	\$0	\$0	\$4,650
13611	1 NBN/NPLD	\$0	\$0	\$0	\$0	\$0	\$0	\$600
13611	1 NBN/BELL/CANCE	\$0	\$0	\$0	\$1,350	\$0	\$0	\$1,350
13611	1 NBN/ASMANEX/NO	\$0	\$3,300	\$0	\$0	\$0	\$0	\$3,300
13611*	Acct Totals:	\$0	\$3,300*	\$3,150*	\$1,350*	\$0*	\$0*	\$3,150*
18770	1 CHICK CHAT	\$5,250*	\$3,300*	\$3,150*	\$1,350*	\$0*	\$0*	\$13,050*
18770*	Acct Totals:	\$5,250*	\$3,300*	\$3,150*	\$1,350*	\$0*	\$0*	\$13,050*
19465	1 COLLECTOR'S CO	\$2,250*	\$2,650*	\$2,200*	\$2,750*	\$2,200*	\$2,750*	\$14,800*
19465*	Acct Totals:	\$2,250*	\$2,650*	\$2,200*	\$2,750*	\$2,200*	\$2,750*	\$14,800*
22921	1 DON MCDONALD S	\$2,000*	\$1,600*	\$1,600*	\$2,000*	\$1,600*	\$2,000*	\$10,800*
22921*	Acct Totals:	\$2,000*	\$1,600*	\$1,600*	\$2,000*	\$1,600*	\$2,000*	\$10,800*
26059	1 FAMILY BUSINES	\$3,500*	\$2,800*	\$2,800*	\$3,500*	\$2,800*	\$3,500*	\$18,900*
26059*	Acct Totals:	\$3,500*	\$2,800*	\$2,800*	\$3,500*	\$2,800*	\$3,500*	\$18,900*
29313	1 GROCERY MANUFA	\$2,500*	\$2,000*	\$2,000*	\$2,500*	\$2,000*	\$2,500*	\$13,500*
29313*	Acct Totals:	\$2,500*	\$2,000*	\$2,000*	\$2,500*	\$2,000*	\$2,500*	\$13,500*
31106	1 HOME TALK	\$275	\$0	\$0	\$0	\$0	\$0	\$275
31106*	Acct Totals:	\$275*	\$0*	\$0*	\$0*	\$0*	\$0*	\$275*
32512	1 INVESTING CONS	\$2,500*	\$2,000*	\$2,000*	\$2,500*	\$2,000*	\$2,500*	\$13,500*
32512*	Acct Totals:	\$2,500*	\$2,000*	\$2,000*	\$2,500*	\$2,000*	\$2,500*	\$13,500*
32521	1 INVESTED CENTR	\$1,500*	\$1,200*	\$1,200*	\$1,500*	\$1,200*	\$1,500*	\$8,100*
32521*	Acct Totals:	\$1,500*	\$1,200*	\$1,200*	\$1,500*	\$1,200*	\$1,500*	\$8,100*
48186	1 ML/DISNEY INTE	\$21,500*	\$17,200*	\$13,000*	\$16,250*	\$13,000*	\$16,250*	\$97,200*
48186*	Acct Totals:	\$21,500*	\$17,200*	\$13,000*	\$16,250*	\$13,000*	\$16,250*	\$97,200*
48186	1 ML/PROCTOR & G	\$3,400	\$0	\$0	\$0	\$0	\$0	\$3,400
48186*	Acct Totals:	\$3,400*	\$0*	\$0*	\$0*	\$0*	\$0*	\$3,400*
48186	1 ML/CENTURY FOU	\$7,200	\$0	\$0	\$400	\$0	\$0	\$4,600
48186*	Acct Totals:	\$7,200*	\$0*	\$0*	\$400*	\$0*	\$0*	\$4,600*
48186	1 ML/PURINA	\$0	\$7,600	\$0	\$0	\$0	\$0	\$7,600
48186*	Acct Totals:	\$0*	\$7,600*	\$0*	\$0*	\$0*	\$0*	\$7,600*
48186	1 ML/ING FINANCI	\$0	\$0	\$0	\$800	\$0	\$0	\$800
48186*	Acct Totals:	\$0*	\$0*	\$0*	\$800*	\$0*	\$0*	\$800*
48186	1 ML/DAIMLER CHR	\$0	\$200	\$0	\$0	\$0	\$0	\$200
48186*	Acct Totals:	\$0*	\$200*	\$0*	\$0*	\$0*	\$0*	\$200*
48805	1 MONEY DOTS SHO	\$10,600*	\$7,800*	\$7,000	\$11,200*	\$0*	\$0*	\$31,000*
48805*	Acct Totals:	\$10,600*	\$7,800*	\$7,000	\$11,200*	\$0*	\$0*	\$31,000*
48805	1 MONEY DOTS SHO	\$3,500	\$2,800	\$2,800	\$3,500	\$2,800	\$3,500	\$18,900
48805*	Acct Totals:	\$3,500*	\$2,800*	\$2,800*	\$3,500*	\$2,800*	\$3,500*	\$18,900*



Date: 9/27/06

BTR.N SALES ANALYZER REPORT  
Time: 4:05p  
1st Six Month Projection - Cash

Page 2

## 1 HOUSE

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
52062	1 OP KNOCKS/MON	\$0	\$0	\$2,100	\$3,500	\$2,800	\$3,500	\$11,900
52062*	Acct Totals:	\$0*	\$0*	\$2,100*	\$3,500*	\$2,800*	\$3,500*	\$11,900*
53356	1 SMALL BIZ AMER	\$875	\$0	\$0	\$0	\$0	\$0	\$875
53356*	Acct Totals:	\$875*	\$0*	\$0*	\$0*	\$0*	\$0*	\$875*
56207	1 THE GABE WISDO	\$0	\$550	\$2,200	\$2,750	\$2,200	\$2,750	\$10,450
56207*	Acct Totals:	\$0*	\$550*	\$2,200*	\$2,750*	\$2,200*	\$2,750*	\$10,450*
57963	1 STOCK TALK RAD	\$13,750	\$11,000	\$11,000	\$13,750	\$11,000	\$13,750	\$74,250
57963*	Acct Totals:	\$13,750*	\$11,000*	\$11,000*	\$13,750*	\$11,000*	\$13,750*	\$74,250*
60927	1 TRAVEL WITH ST	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000
60927*	Acct Totals:	\$1,000*	\$1,000*	\$1,000*	\$1,000*	\$1,000*	\$1,000*	\$6,000*
63984	1 VIDICOM INC.	\$0	\$2,000	\$1,000	\$0	\$0	\$0	\$3,000
63984*	Acct Totals:	\$0*	\$2,000*	\$1,000*	\$0*	\$0*	\$0*	\$3,000*
Grand Total		\$78,475	\$63,525	\$65,050	\$66,150	\$54,200	\$67,500	\$394,900

Totals for Account Exec.:

	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
1 House	\$78,475	\$63,525	\$65,050	\$66,150	\$54,200	\$67,500	\$394,900

Date: 9/27/06

## BTR.N SALES ANALYZER REPORT

Time: 4:05p

## 1st Six Month Projection

- Cash

Page 1

## 4 Jeff Weber

\*-Account Total

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
10037	4 CORPORATE STRA	\$2,500	\$2,000	\$2,000	\$2,750	\$2,200	\$2,750	\$14,200
10037*	Acct Totals:	\$2,500*	\$2,000*	\$2,000*	\$2,750*	\$2,200*	\$2,750*	\$14,200*
10162	4 AMERICA'S DINI	\$1,750	\$1,400	\$1,400	\$1,750	\$1,400	\$1,750	\$9,450
10162*	Acct Totals:	\$1,750*	\$1,400*	\$1,400*	\$1,750*	\$1,400*	\$1,750*	\$9,450*
10250	4 STRAUSS/AM ON	\$0	\$225	\$225	\$0	\$0	\$0	\$450
10250*	Acct Totals:	\$0*	\$225*	\$225*	\$0*	\$0*	\$0*	\$450*
15237	4 BUSINESS OF SU	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$18,000
15237*	Acct Totals:	\$3,000*	\$3,000*	\$3,000*	\$3,000*	\$3,000*	\$3,000*	\$18,000*
25486	4 EQUITY STRATEG	\$1,700	\$1,400	\$1,400	\$1,750	\$1,400	\$1,750	\$9,400
25486*	Acct Totals:	\$1,700*	\$1,400*	\$1,400*	\$1,750*	\$1,400*	\$1,750*	\$9,400*
30710	4 FUTURE TALK	\$600	\$600	\$600	\$600	\$600	\$600	\$3,600
30710*	Acct Totals:	\$600*	\$600*	\$600*	\$600*	\$600*	\$600*	\$3,600*
32820	4 INVESTOR'S EDG	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$45,000
32820*	Acct Totals:	\$7,500*	\$7,500*	\$7,500*	\$7,500*	\$7,500*	\$7,500*	\$45,000*
44530	4 SCUBA RADIO	\$3,000	\$2,400	\$2,400	\$3,000	\$2,400	\$3,000	\$16,200
44530*	Acct Totals:	\$3,000*	\$2,400*	\$2,400*	\$3,000*	\$2,400*	\$3,000*	\$16,200*
57904	4 AS/SECOND DISC	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$132,000
57904*	Acct Totals:	\$22,000*	\$22,000*	\$22,000*	\$22,000*	\$22,000*	\$22,000*	\$132,000*
Grand Total		\$42,050	\$40,525	\$40,525	\$42,350	\$40,500	\$42,350	\$248,300

Totals for Account Exec.:

4 Jeff Weber	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
	\$42,050	\$40,525	\$40,525	\$42,350	\$40,500	\$42,350	\$248,300



Date: 9/27/06

## BTR.N SALES ANALYZER REPORT

Time: 4:05p

## 1st Six Month Projection - Cash

Page 1

## 10 Global Media

\*=Account Total

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
28556	10 GLOBAL MEDIA	\$51,323	\$45,503	\$60,835	\$59,538	\$36,522	\$23,800	\$277,521
28556*	Acct Totals:	\$51,323*	\$45,503*	\$60,835*	\$59,538*	\$36,522*	\$23,800*	\$277,521*
Grand Total		\$51,323	\$45,503	\$60,835	\$59,538	\$36,522	\$23,800	\$277,521

## Totals for Account Exec.:

	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
10 Global Media	\$51,323	\$45,503	\$60,835	\$59,538	\$36,522	\$23,800	\$277,521

Date: 9/27/06

## BTR.N SALES ANALYZER REPORT

Time: 4:05p

## 1st Six Month Projection - Cash

Page 1

## 13 CRAIG CROSSMAN

\*-Account Total

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
61954	13 PREMIO	\$2,000	\$2,000	\$1,750	\$1,750	\$1,750	\$1,750	\$11,000
61954*	Acct Totals:	\$2,000*	\$2,000*	\$1,750*	\$1,750*	\$1,750*	\$1,750*	\$11,000*
Grand Total		\$2,000	\$2,000	\$1,750	\$1,750	\$1,750	\$1,750	\$11,000

## Totals for Account Exec.:

	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
13 Craig Crossman	\$2,000	\$2,000	\$1,750	\$1,750	\$1,750	\$1,750	\$11,000

Date: 9/27/06

## BTR.N SALES ANALYZER REPORT

Time: 4:05p

## 1st Six Month Projection - Cash

Page 1

17 Tom Kelly

\*-Account Total

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
52652	17 WASHINGTON MUT	\$2,356	\$1,885	\$1,885	\$2,356	\$1,885	\$2,356	\$12,721
52652*	Acct Totals:	\$2,356*	\$1,885*	\$1,885*	\$2,356*	\$1,885*	\$2,356*	\$12,721*
Grand Total		\$2,356	\$1,885	\$1,885	\$2,356	\$1,885	\$2,356	\$12,721

Totals for Account Exec.:

	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
17 Tom Kelly	\$2,356	\$1,885	\$1,885	\$2,356	\$1,885	\$2,356	\$12,721

Date: 9/27/06

## BTR.N SALES ANALYZER REPORT

Time: 4:05p

## 1st Six Month Projection - Cash

Page 2

## GRAND TOTAL

Acct	Ac Name	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
Grand Total		\$179,679	\$156,913	\$173,520	\$175,619	\$138,332	\$141,231	\$965,292

## Totals for Account Exec.:

	Jul'06 Amount	Aug'06 Amount	Sep'06 Amount	Oct'06 Amount	Nov'06 Amount	Dec'06 Amount	Six Month Totals
1 House	\$78,475	\$63,525	\$65,050	\$66,150	\$54,200	\$67,500	\$394,900
4 Jeff Weber	\$42,050	\$40,525	\$40,525	\$42,350	\$40,500	\$42,350	\$248,300
8 Jon Patch	\$3,475	\$3,475	\$3,475	\$3,475	\$3,475	\$3,475	\$20,850
10 Global Media	\$51,323	\$45,503	\$60,835	\$59,538	\$36,522	\$23,800	\$277,521
13 Craig Crossman	\$2,000	\$2,000	\$1,750	\$1,750	\$1,750	\$1,750	\$11,000
17 Tom Kelly	\$2,356	\$1,885	\$1,885	\$2,356	\$1,885	\$2,356	\$12,721
Grand Total	\$179,679	\$156,913	\$173,520	\$175,619	\$138,332	\$141,231	\$965,292

LIBERTY SALES ANALYZER REPORT

Time: 3:52

Date: 9/27/06

1. NO REP

Acct	SA Name	Aug '06	Sep '06	Oct '06	Nov '06	Dec '06	Jan '07
		Amount	Amount	Amount	Amount	Amount	Amount
12255	ARMSTRONG/HUSCH	\$0	\$0.00	\$500	\$0.00	\$0	\$0.00
13151	ARMSTRONG	\$1,150	\$1,150.00	\$1,150	\$1,150.00	\$1,150	\$1,150.00
14611	BLOOMBERG	\$500	\$2,000.00	\$2,500	\$2,000.00	\$2,500	\$2,000.00
43457	BLOOMBERG	\$0	\$66,000.00	\$0	\$0.00	\$0	\$0.00
50622	BRISTOL MYERS	\$2,000	\$2,000.00	\$2,500	\$2,000.00	\$2,500	\$2,000.00
74131	BRISTOL MYERS	\$500	\$250.00	\$0	\$0.00	\$0	\$0.00
78449	BRISTOL MYERS	\$0	\$6,000.00	\$6,000	\$6,000.00	\$6,000	\$6,000.00
	<b>Grand Total</b>	<b>\$4,150</b>	<b>\$71,400.00</b>	<b>\$12,650</b>	<b>\$11,150.00</b>	<b>\$12,150</b>	<b>\$121,500.00</b>

Totals for Income Account:

1. NO REP	\$4,150	\$71,400.00	\$12,650	\$11,150.00	\$12,150	\$121,500.00
-----------	---------	-------------	----------	-------------	----------	--------------

Totals for Sale Type (CPAdj):

1	\$4,150	\$71,400.00	\$12,650	\$11,150.00	\$12,150	\$121,500.00
---	---------	-------------	----------	-------------	----------	--------------

Totals for Salesperson:

1. NO REP	Sep '06	Oct '06	Nov '06	Dec '06	Jan '07	Feb '07	Mar '07	Apr '07	May '07	Jun '07
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
1. NO REP	\$71,400.00	\$12,650	\$11,150.00	\$12,150	\$4,000.00	\$4,000.00	\$4,000.00	\$5,000.00	\$4,000.00	\$4,000.00
										\$138,350.00



Page 1

J. BERTY1 SALES ANALYZER REPORT  
Time: 1:55p

nine month projection

Date: 9/27/06  
2 HOUSE

Acct	Est Name	Aug '06	Sep '06	Oct '06	Nov '06	Dec '06	Jan '07	Feb '07	Mar '07	Apr '07	May '07	Jun '07
11371	HOUSE OF BOWLING	Amount \$1,200	Amount \$1,200.00 ✓	Amount \$1,500	Amount \$1,200.00	Amount \$1,500	Amount \$0.00	Amount \$1,500	Amount \$0.00	Amount \$0.00	Amount \$0.00	Amount \$0.00
Grand Total:		\$1,200	\$1,200.00	\$1,500	\$1,200.00	\$1,500	\$0.00	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00
Totals for Income Account:												
1	HO RPP	\$1,200	\$1,200.00	\$1,500	\$1,200.00	\$1,500	\$0.00	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00
Totals for Sale Type (Chart):												
1		\$1,200	\$1,200.00	\$1,500	\$1,200.00	\$1,500	\$0.00	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00
Totals for Salesperson:												
2	HOUSE	Amount \$1,200.00	Amount \$1,200.00	Amount \$1,500	Amount \$1,200.00	Amount \$1,500	Amount \$0.00	Amount \$1,500.00	Amount \$0.00	Amount \$0.00	Amount \$0.00	Amount \$0.00
												\$5,400.00



LIBERTY SALES ANALYZER REPORT

Thru: 8/31/06

Date: 9/27/06

14 Dial Global Medi nine month projection

Acct 66 Name

41724 TOTAL GLOBAL CORRUPTIONS

Grand Total

Aug'06	Sep'06	Oct'06	Nov'06	Dec'06	Jan'07
Amount	Amount	Amount	Amount	Amount	Amount
\$18,638	\$16,867.22	\$25,057	\$18,343.00	\$15,129	\$94,034.64

Totals for Income Account:

1 NO REP	\$18,638	\$16,867.22	\$25,057	\$18,343.00	\$15,129	\$94,034.64
----------	----------	-------------	----------	-------------	----------	-------------

Totals for Sale Type(Cred):

1	\$18,638	\$16,867.22	\$25,057	\$18,343.00	\$15,129	\$94,034.64
---	----------	-------------	----------	-------------	----------	-------------

Totals for Salesperson:

Sep'06	Oct'06	Nov'06	Dec'06	Jan'07	Feb'07	Mar'07	Apr'07	May'07	Jun'07
Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
\$16,867.22	\$25,057	\$18,343.00	\$15,129	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$75,396.22

14 Dial Global Medi

1.5 HOST AVIAT.

nine month projection

## LIBERTY1 SALES ANALYZER REPORT

Time: 3:55p

[illegible]

No. 3103 P. 5

LIBERTY SALES ANALYZER REPORT

Time: 3:55p

nine month projection

Date: 9/27/06

20 BTR-JEFF WEBER

Acct 9a Name  
14225 KAP05.000

Aug '06	Sep '06	Oct '06	Nov '06	Dec '06	Jan '07
Amount	Amount	Amount	Amount	Amount	Amount
\$0	\$0.00	\$13	\$0.00	\$0	\$0.00
					\$12.50
Grand Total	\$0	\$13	\$0.00	\$0	\$12.50

Totals for Income Account:  
2 Direct

\$0	\$0.00	\$13	\$0.00	\$0	\$0.00	\$12.50
-----	--------	------	--------	-----	--------	---------

Totals for Sale Type (CRad):  
7 POS - Weekdays

\$0	\$0.00	\$13	\$0.00	\$0	\$0.00	\$12.50
-----	--------	------	--------	-----	--------	---------

Totals for Salesperson:

20 BTR-JEFF WEBER

Sep '06	Oct '06	Nov '06	Dec '06	Jan '07	Feb '07	Mar '07	Apr '07	May '07	Jun '07
Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
\$0.00	\$13	\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0
							\$12.50		\$12.50

LIBERTY SALES ANALYZER REPORT

Time: 3:52p

nine month projection

Date: 9/27/06

GRAND TOTALS

Acct	Sales	Aug '06	Sep '06	Oct '06	Nov '06	Dec '06	Jan '07
Grand Total		\$29,788	\$101,267.22	\$46,470	\$36,493.00	\$36,029	\$5,000.00

Totals for Income Account:

1 MD REP	\$24,988	\$96,467.22	\$49,457	\$31,693.00	\$30,029	\$5,000.00	\$228,634.64
2 Interest	\$4,800	\$4,800.00	\$6,013	\$4,300.00	\$6,000	\$0.00	\$26,412.50
Grand Total	\$29,788	\$101,267.22	\$46,470	\$36,493.00	\$36,029	\$5,000.00	\$255,047.14

Totals for Sale Type (Credit):

1	\$28,788	\$100,267.22	\$45,207	\$35,493.00	\$34,779	\$4,000.00	\$248,534.64
5 Inst. Avail	\$1,000	\$1,000.00	\$1,250	\$1,000.00	\$1,250	\$1,000.00	\$6,500.00
7 ROS - Unetkdy	\$0	\$0.00	\$13	\$0.00	\$0	\$0.00	\$12.50
Grand Total	\$29,788	\$101,267.22	\$46,470	\$36,493.00	\$36,029	\$5,000.00	\$255,047.14

Totals for Salesperson:

	Sep '06	Oct '06	Nov '06	Dec '06	Jan '07	Feb '07	Mar '07	Apr '07	May '07	Jun '07
1 MD REP	\$77,400.00	\$12,650	\$11,150.00	\$12,150	\$4,000.00	\$4,000.00	\$4,000.00	\$5,000.00	\$4,000.00	\$4,000.00
2 HODSE	\$1,200.00	\$1,500	\$1,200.00	\$1,500	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4 Jose Pino	\$4,000.00	\$6,000	\$4,800.00	\$6,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14 DIAL Global Medi	\$16,867.22	\$25,037	\$18,343.00	\$15,129	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15 HCSF AVIAL	\$1,000.00	\$1,250	\$1,000.00	\$1,250	\$1,000.00	\$1,000.00	\$1,000.00	\$1,250.00	\$1,000.00	\$1,000.00
20 BTR-JEFF BREWER	\$0.00	\$13	\$0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	\$101,267.22	\$46,470	\$36,493.00	\$36,029	\$5,000.00	\$5,000.00	\$5,000.00	\$6,250.00	\$5,000.00	\$5,000.00

## **EXHIBIT H**

January through December 2005

<u>Jan - Dec 05</u>	
Ordinary Income/Expense	
Income	
Income	1,009,540.05
Sales Discounts-Agency	<u>-42,148.20</u>
Total Income	967,391.85
Expense	
Advertising	500.00
Automobile Expense	9,460.96
Bank Service Charges	64.90
Computer Support	3,423.07
Contract Labor-Engineers	17,525.80
Donations	500.00
Dues and Subscriptions	6,640.49
Equipment Rental	3,535.02
Insurance	
General Insurance	18,008.02
Group Insurance	13,861.44
Work Comp	<u>7,861.39</u>
Total Insurance	39,730.85
Interest Expense	63,186.08
Legal & Professional Fees	1,448.20
Market Research	9,750.00
Office Expense	1,954.87
Office Supplies	7,043.76
Operating Expense	1,582.08
Outside Commissions	1,875.00
Outside Services	5,409.65
Payroll Service	1,832.64
Payroll Taxes	40,593.13
Postage and Delivery	1,661.64
Printing and Reproduction	181.07
Promotion	445.32
Rent	
Antenna	20,656.00
Office	<u>53,008.45</u>
Total Rent	73,664.45
Repairs & Maintenance	5,154.09
Salary	
Administrative	160,909.75
Officers	12,000.00
Operations	117,745.00
Sales	<u>217,202.83</u>
Total Salary	507,857.58
Sales & Use Tax	3,008.51
Taxes & Licenses	6,229.25
Telephone	8,803.89



KNUL/KNEWS RADIO

**Profit & Loss**

January through December 2005

	<u>Jan - Dec 05</u>
Travel & Ent	
Entertainment	1,882.73
Travel	4,690.20
Total Travel & Ent	<u>6,572.93</u>
Unknown	0.00
Utilities	
Gas and Electric	4,445.68
Total Utilities	<u>4,445.68</u>
Total Expense	<u>834,080.69</u>
Net Ordinary Income	133,310.96
Other Income/Expense	
Other Income	
Interest Income	426.22
Other Income	1,443.40
Total Other Income	<u>1,869.62</u>
Net Other Income	<u>1,869.62</u>
Net Income	<u>135,180.58</u>

# **Profit & Loss YTD Comparison**

October through December 2004

KNUU			
		<u>Oct - Dec 04</u>	<u>Jan - Dec 04</u>
Ordinary Income/Expense			
Income			
Income		371,658.00	1,095,140.50
Sales Discounts-Agency		<u>-30,901.00</u>	<u>-69,282.86</u>
Total Income		340,757.00	1,025,857.64
Expense			
Advertising		0.00	2,034.81
Associated Press		0.00	9,385.30
Automobile Expense		2,415.24	8,460.80
Bank Service Charges		0.00	0.00
Computer Support		513.00	2,736.60
Contract Labor-Engineers		3,600.00	13,749.70
Donations		0.00	40.00
Dues and Subscriptions		1,284.20	5,169.33
Equipment Rental		563.04	2,303.49
Insurance			
General Insurance		1,772.00	11,383.62
Group Insurance		3,760.60	13,475.64
Work Comp		<u>2,394.84</u>	<u>3,930.15</u>
Total Insurance		7,927.44	28,789.41
Interest Expense		10,345.86	74,190.59
Legal & Professional Fees		6,554.20	6,756.00
Market Research		2,250.00	8,750.00
Miscellaneous		132.26	132.28
Office Expense		1,350.06	1,885.28
Office Supplies		2,557.86	6,389.14
Operating Expense		480.53	1,565.26
Outside Commissions		0.00	560.00
Outside Services		1,408.88	3,768.18
Payroll Service		452.91	1,384.68
Payroll Taxes		11,457.80	41,354.86
Postage and Delivery		412.97	1,959.97
Printing and Reproduction		384.60	696.27
Promotion		299.05	947.13
Rent			
Antenna		4,944.00	19,776.00
Office		<u>13,080.90</u>	<u>51,450.91</u>
Total Rent		18,024.90	71,226.91
Repairs & Maintenance		227.96	1,401.32
Salary			
Administrative		43,329.00	161,503.25
Officers		3,000.00	12,000.00
Operations		40,085.00	142,459.00
Sales		<u>63,993.64</u>	<u>200,328.33</u>
Total Salary		150,407.64	516,290.58

**CRC Broadcasting, Inc.**  
**Profit & Loss YTD Comparison**  
**October through December 2004**

KNUU			
		<u>Oct - Dec 04</u>	<u>Jan - Dec 04</u>
Sales & Use Tax		952.05	3,385.28
Talent Fees		0.00	-1,400.00
Taxes & Licenses		5,200.44	6,544.42
Telephone		2,134.08	9,371.42
Travel & Ent			
Entertainment		353.88	645.77
Travel		941.60	3,988.35
Total Travel & Ent		<u>1,295.46</u>	<u>4,634.12</u>
Utilities			
Gas and Electric		<u>1,168.22</u>	<u>4,779.81</u>
Total Utilities		<u>1,168.22</u>	<u>4,779.81</u>
Total Expense		<u>233,798.45</u>	<u>839,212.92</u>
Net Ordinary Income		106,958.55	186,644.72
Other Income/Expense			
Other Income			
Interest Income		250.12	443.91
Other Income		<u>353.00</u>	<u>2,675.19</u>
Total Other Income		<u>603.12</u>	<u>3,119.10</u>
Net Other Income		<u>603.12</u>	<u>3,119.10</u>
Net Income		<u>107,561.67</u>	<u>189,763.82</u>

KJI BROADCASTING LLC  
Time: 3:33p  
BALANCE SHEET  
Accounting Period: June 2006

Page: 1

Revision 1

Date: 7/19/06

Balance  
end of  
June  
2006

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	14,938.83
1104-00-0	BERK BANK MONEY MARKET	1,013.02
1106-00-0	ROCKLAND TRUST	(82.49)
1121-00-0	ACCOUNTS RECEIVABLE	36,838.30
1123-00-0	TRADE ACCOUNTS RECEIVABLE	1.00
1124-65-0	PREPAID NEWS SERVICE	576.55
1128-00-0	PREPAID INSURANCE	(928.37)

TOTAL CURRENT ASSETS

52,356.84

FIXED ASSETS

1150-00-0	BUILDING IMROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
60-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(297,739.78)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	9,097.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(6,025.86)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(5,666.67)

TOTAL FIXED ASSETS

206,248.47

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,756,812.11
-----------	----------------	--------------

TOTAL OTHER ASSETS

1,756,812.11

TOTAL ASSETS

2,015,417.42

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	2,824.26
-----------	------------------	----------

TOTAL CURRENT LIABILITIES

2,824.26

CAPITAL ACCOUNTS

2299-00-0	RETAINED EARNINGS	2,050,526.48
-----------	-------------------	--------------

TOTAL CAPITAL ACCOUNTS

2,050,526.48

Date: 7/19/06

KJI BROADCASTING LLC  
Time: 3:33p  
BALANCE SHEET  
Accounting Period: June 2006

Page: 2

Revision 1

Balance  
end of  
June  
2006  
-----

TOTAL LIABILITIES AND CAPITAL

2,053,350.74

Net Income

(37,933.32)

SUMMARY:

TOTAL ASSETS

2,015,417.42

TOTAL LIABILITIES AND CAPITAL

2,053,350.74

Net Income

(37,933.32)  
-----

Balance

0

Date: 7/19/06

KJI BROADCASTING LLC  
Time: 3:51p  
PROFIT/LOSS STATEMENT  
Accounting Period: June 2006

Page: 1

Revision 1

	NetChange June 2006	Budget for June 2006	NetChange June 2005	YTD thru end of June 2006	YTD Budget through June 2006	YTD thru end of June 2005
REVENUE						
REVENUE						
3000-00-0 LOCAL SALES	29,487.25	36,500.00	26,498.50	158,067.41	190,500.00	138,838.00
3100-00-0 AGENCY SALES	3,775.00	0	3,448.60	14,603.82	0	15,783.80
TOTAL REVENUE	33,262.25	36,500.00	29,947.10	172,671.23	190,500.00	154,621.80
DIRECT COST ACCOUNTS						
4000-00-0 AGENCY DISCOUNTS	566.25	400.00	453.00	2,190.57	2,400.00	2,121.75
4100-00-0 INTEREP COMMISSION	0	0	0	0	0	674.86
4200-00-0 LOCAL COMMISSIONS	6,759.19	4,562.00	3,643.41	25,749.23	23,812.00	23,992.64
TOTAL DIRECT COST ACCOUNTS	7,325.44	4,962.00	4,096.41	27,939.80	26,212.00	26,789.25
GROSS MARGIN	25,936.81	31,538.00	25,850.69	144,731.43	164,288.00	127,832.55
OPERATING EXPENSESE						
ENGINEERING						
5500-00-0 CONTRACT ENGINEER	175.00	550.00	900.00	2,100.00	3,300.00	3,725.00
5501-00-0 CONTRACT PROJECTS	0	0	877.60	0	0	1,152.60
5504-00-0 POWER AND LIGHT	801.54	900.00	572.81	4,787.20	5,400.00	3,727.63
5506-00-0 TOWER RENT	2,000.00	2,000.00	2,000.00	12,000.00	12,000.00	12,000.00
5517-00-0 REPAIRS AND MAINTENANCE	0	200.00	0	0	1,200.00	0
5518-00-0 PARTS	0	200.00	0	0	1,200.00	(194.27)
TOTAL ENGINEERING	2,976.54	3,850.00	4,350.41	18,887.20	23,100.00	20,410.96
PROGRAMMING						
6601-00-0 PROGRAMMING SALARIES	9,285.40	7,962.00	5,487.10	40,829.65	34,498.00	35,580.30
6603-00-0 PAYROLL TAXES	1,138.32	796.00	682.10	5,071.03	3,449.00	4,510.22
6608-00-0 PRODUCTION SUPPLIES	0	25.00	0	0	150.00	0
6614-00-1 ASCAP	112.00	120.00	204.00	672.00	720.00	728.00
6614-00-2 BMI	125.00	120.00	114.61	754.80	720.00	687.66
6614-00-3 SESAC	79.25	80.00	72.00	475.50	480.00	433.08
6650-00-0 NEWS SERVICE	576.55	576.58	998.84	3,459.30	3,459.48	5,962.04
6652-00-0 INTERNET EXPENSE	0	0	0	0	0	12.00
TOTAL PROGRAMMING	11,317.32	9,679.58	7,558.65	51,262.28	43,476.48	47,913.30
SALES						
7701-00-0 SALES SALARIES	9,000.00	8,827.00	3,600.00	35,000.00	38,250.00	22,800.00
7705-00-0 PAYROLL TAXES	1,557.11	1,339.00	668.28	6,592.99	6,206.00	5,140.65
-00-0 SALES TRAVEL	200.00	250.00	200.00	1,300.00	1,500.00	1,100.00
7721-00-0 DUES	0	0	116.00	0	0	116.00
TOTAL SALES	10,757.11	10,416.00	4,584.28	42,892.99	45,956.00	29,156.65

Date: 7/19/06

KJI BROADCASTING LLC

Time: 3:51p

Page: 2

PROFIT/LOSS STATEMENT

Accounting Period: June 2006

Revision 1

	NetChange June 2006	Budget for June 2006	NetChange June 2005	YTD thru end of June 2006	YTD Budget through June 2006	YTD thru end of June 2005
ADMINISTRATIVE						
8801-00-0 ADMINISTRATIVE SALARIES	1,152.00	2,077.00	950.00	5,091.00	8,998.00	6,420.00
8802-00-0 PAYROLL TAXES	143.31	208.00	122.12	709.01	898.00	871.77
8803-00-0 PAYROLL FEES	206.50	150.00	132.25	1,017.24	900.00	969.49
8806-00-0 PERSONAL PROPERTY TAX	0	0	0	433.15	0	490.70
8807-00-0 CORP TAXES AND FEES	0	0	0	830.00	491.00	0
8811-00-0 RENT	1,390.48	1,391.00	1,390.48	8,342.88	8,345.00	8,342.88
8813-00-0 MAINTENANCE	0	25.00	0	0	150.00	0
8816-00-0 TELEPHONE	1,626.88	1,500.00	1,412.81	8,873.25	9,000.00	8,815.86
8817-00-0 PROFESSIONAL SERVICES	0	0	0	6,595.00	6,000.00	6,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	309.00	0	0	980.70	0	976.30
8823-00-0 POSTAGE	200.00	80.00	250.00	1,014.45	480.00	656.95
8824-00-0 OFFICE SUPPLIES	123.00	250.00	0	784.49	1,500.00	337.84
8825-00-0 SHIPPING	83.25	0	0	83.25	0	0
8826-00-0 BAD DEBT	0	350.00	0	0	1,050.00	0
8828-00-0 GENERAL INSURANCE	350.00	475.00	365.00	2,100.00	2,850.00	2,190.00
8828-10-0 WORKERS COMP	50.00	0	0	300.00	0	0
8830-00-0 DUES AND SUBSCRIPTIONS	90.00	80.00	80.00	602.50	543.00	542.50
8830-00-0 HEALTH INSURANCE	603.32	1,200.00	0.29	4,754.43	7,480.00	4,115.34
8830-00-0 EMPLOYEE BENEFITS	0	0	0	0	200.00	0
8836-00-0 BANK FEES	48.00	0	0	161.75	0	27.00
8837-00-0 VISA FEES	0	0	7.50	0	0	45.00
TOTAL ADMINISTRATIVE	6,375.74	7,786.00	4,720.45	42,673.10	48,885.00	40,801.63
TOTAL OPERATING EXPENSESE	31,426.71	31,731.58	21,213.79	155,715.57	161,417.48	138,282.54
CASH FLOW	(5,489.90)	(193.58)	4,636.90	(10,984.14)	2,870.52	(10,449.99)
OTHER INCOME AND EXPENSES						
8852-00-0 TRADE SALES	(9,663.25)	0	(9,347.15)	(48,192.65)	0	(49,721.55)
8860-00-0 TRADE CREDITS AND DISCOUNTS	9,662.25	0	8,837.95	48,191.65	0	49,721.55
9400-00-0 LEGAL	0	0	2,392.50	11,155.76	0	3,340.80
9422-00-0 ENGINEERING CONSULTING SERVIC	0	0	0	7,500.00	0	0
9600-00-0 INTEREST INCOME	0	0	(2.67)	(6.02)	0	(29.66)
9700-00-0 DEPRECIATION	0	0	707.38	8,300.44	0	4,244.39
9800-10-0 SETTLEMENT - AMER MEDIA PARTN	0	0	14,000.00	0	0	14,000.00
TOTAL OTHER INCOME AND EXPENSE	(1.00)	0	16,588.01	26,949.18	0	21,555.53
Net Income	(5,488.90)	(193.58)	(11,951.11)	(37,933.32)	2,870.52	(32,005.52)
CASH FLOW	(5,489.90)	(193.58)	4,636.90	(10,984.14)	2,870.52	(10,449.99)
Net Income	(5,488.90)	(193.58)	(11,951.11)	(37,933.32)	2,870.52	(32,005.52)

**WBET  
JUNE 2006**

	<b>Jun-06</b>	<b>Jun-05</b>	<b>%Change</b>
<b>Gross Revenue</b>	\$33,262	\$29,947	11.1%
<b>Cash Flow</b>	-\$5,490	\$4,637	NA

	<b>YEAR TO DATE 06</b>	<b>YEAR TO DATE 05</b>	<b>%Change</b>
<b>Gross Revenue</b>	\$172,671	\$154,622	11.7%
<b>Cash Flow</b>	-\$10,984	-\$10,450	NA

**JUNE NOTES**

There are 3 payrolls in June



**Profit & Loss**  
January through June 2006

	<u>Jan - Jun 06</u>
Ordinary Income/Expense	
Income	
4050 · Sales	
4051 · Global Sales	381,719.79
4052 · Ad/PI Sales	33,020.35
4053 · Program Sales	731,629.27
Total 4050 · Sales	<u>1,146,369.41</u>
4999 · Miscellaneous Income	145,572.96
Total Income	<u>1,291,942.37</u>
Cost of Goods Sold	
5000 · Revenue Share/Commission	
4040 · Agency/Rep Commission	125,646.00
5000 · Revenue Share/Commission - Other	113,025.71
Total 5000 · Revenue Share/Commission	<u>238,671.71</u>
5001 · Sales Credits	1,500.00
Total COGS	<u>240,171.71</u>
Gross Profit	1,051,770.66
Expense	
6000 · Client Promotions/Gifts	2,669.53
6110 · Automobile Expense	
6115 · Automobile-BMW Lease M. Metter	8,400.00
6116 · Automobile Exp-BMW Lease/Weber	3,905.13
6117 · Automobile Expense-Gas/Travel	2,632.32
6110 · Automobile Expense - Other	1,000.00
Total 6110 · Automobile Expense	<u>15,937.45</u>
6120 · Bank Service Charges	85.00
6125 · AMEX Fees	2,528.54
6132 · Conference/Expo Fees	3,847.00
6140 · Contributions	2,400.00
6160 · Dues and Subscriptions	2,231.62
6165 · Online/Internet	1,336.66
6180 · Insurance	
6185 · Auto Insurance	2,086.00
6188 · D&O Insurance	2,809.00
6195 · Health Insurance	15,371.05
6420 · Disability-W/C	12,367.24
Total 6180 · Insurance	<u>32,633.29</u>
6200 · Interest Expense	2,000.00
6240 · Miscellaneous	11,326.13
6250 · Postage and Delivery	3,646.27
6260 · Printing and Reproduction	1,483.85
6265 · Advertising/Marketing	18,125.00
6266 · Payroll service	1,270.39

**Profit & Loss**

January through June 2006

	<u>Jan - Jun 06</u>
6270 · Professional Fees	
6280 · Legal Fees	47,207.65
6285 · Professional Services	23,523.21
6650 · Accounting	4,750.00
Total 6270 · Professional Fees	<u>75,480.86</u>
6340 · Telephone	58,138.86
6350 · Travel & Ent	
6360 · Entertainment	3,243.54
6370 · Meals	4,064.06
6380 · Travel	6,920.30
6385 · Lodging	3,840.68
Total 6350 · Travel & Ent	<u>18,068.58</u>
6450 · Contract Labor	1,923.08
6540 · Computer Expense	114.00
6550 · Office Expense	2,383.64
6560 · Payroll	
6562 · Marketing Salaries	48,498.36
6564 · G/A Salaries	20,192.33
6566 · Officers Salaries	160,338.48
6568 · Sales Commission	44,436.36
6569 · Bonus	72,000.00
6570 · Programming Salaries	89,195.82
Total 6560 · Payroll	<u>434,661.35</u>
6580 · Payroll Taxes	
6870 · Taxes - Employer's Portion	25,835.38
6580 · Payroll Taxes - Other	5,024.83
Total 6580 · Payroll Taxes	<u>30,860.21</u>
6670 · Program Expense	
6672 · Producer/Engineer	5,351.89
6673 · Studio Operations	7,612.34
6676 · Talent	2,955.36
6677 · Satellite feed	43,971.00
6681 · Programming Fees	10,000.00
6670 · Program Expense - Other	17,046.00
Total 6670 · Program Expense	<u>86,936.59</u>
Total Expense	<u>810,087.90</u>
Net Ordinary Income	241,682.76
Other Income/Expense	
Other Income	
7010 · Interest Income	1,943.66
7030 · Other Income-Trade	6,000.00
Total Other Income	<u>7,943.66</u>

## Profit & Loss

January through June 2006

	<u>Jan - Jun 06</u>
Net Other Income	<u>7,943.66</u>
Net Income	<u><u>249,626.42</u></u>

## Balance Sheet

As of December 31, 2005

Dec 31, 05

### ASSETS

#### Current Assets

##### Checking/Savings

B of A (KROU) Checking 783.67

B of A (KNUU) MM 50,479.65

Petty Cash 537.95

Total Checking/Savings 51,801.27

##### Accounts Receivable

Accounts Receivable 98,477.46

Total Accounts Receivable 98,477.46

##### Other Current Assets

Clearing Account Deposits 1,500.00

Due From CRC 29,974.48

Due From National Conferences 12,774.28

Total Other Current Assets 44,248.76

Total Current Assets 194,527.49

#### Fixed Assets

##### Fixed Assets

Leasehold Improvements 21,500.00

Machinery & Equipment 452,979.47

Total Fixed Assets 474,479.47

Net Accum. Depreciation -372,858.00

Total Fixed Assets 101,621.47

#### Other Assets

Deposits-Security 3,800.00

##### Intangible Assets

FCC Licence 1,100,000.00

Goodwill 105,000.00

Total Intangible Assets 1,205,000.00

Net Accumulated Amortization -435,138.00

Total Other Assets 773,662.00

TOTAL ASSETS 1,969,818.96

### LIABILITIES & EQUITY

#### Liabilities

##### Current Liabilities

##### Accounts Payable

Accounts Payable 4,036.22

Total Accounts Payable 4,036.22

##### Other Current Liabilities

Due To National Conferences 233,819.71

## Balance Sheet

As of December 31, 2005

	<u>Dec 31, 05</u>
Sales Tax Payable	<u>695.69</u>
Total Other Current Liabilities	<u>234,515.40</u>
Total Current Liabilities	238,551.62
Long Term Liabilities	
N/P New Century Bank	<u>906,092.61</u>
Total Long Term Liabilities	<u>906,092.61</u>
Total Liabilities	1,144,644.23
Equity	
Retained Earnings	-156,999.21
Shareholders' Equity	
David Lloyd	
Capital	<u>-18,681.87</u>
Total David Lloyd	<u>-18,681.87</u>
Michael Ragins	
Capital	<u>-21,350.71</u>
Total Michael Ragins	<u>-21,350.71</u>
Ronald Cohen	
Capital	<u>-13,344.20</u>
Total Ronald Cohen	<u>-13,344.20</u>
Total Shareholders' Equity	-53,376.78
Net Income	<u>135,542.72</u>
Total Equity	<u>-74,833.27</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,069,810.96</u></u>

LIFESTYLE TALKRADIO NETWORK, INC.

**Profit & Loss**

January through June 2006

	<u>Jan - Jun 06</u>
Ordinary Income/Expense	
Income	
Network Revenue	255,662.57
Per Inquiry Revenue	2,807.18
Total Income	<u>258,469.75</u>
Cost of Goods Sold	
Agency Commission	53,909.98
Commission Share	2,025.00
Total COGS	<u>55,934.98</u>
Gross Profit	202,534.77
Expense	
Advertising	2,050.00
Automobile Expense	3,122.92
Bank Service Charges	90.00
Computer Expense	250.00
Insurance	
Disability Insurance	-161.77
Health Insurance	4,851.46
Total Insurance	<u>4,689.69</u>
Miscellaneous	319.80
Office Supplies	226.49
Payroll Expenses	
Payroll -ADP Fees	1,421.78
Payroll Taxes	10,780.91
Total Payroll Expenses	<u>12,202.69</u>
Postage and Delivery	106.40
Printing and Reproduction	2,424.89
Professional Fees	
Legal Fees	1,770.00
Total Professional Fees	<u>1,770.00</u>
Program Expense	66,541.00
Salaries	
Programming Salaries	93,223.67
Total Salaries	<u>93,223.67</u>
Talent Fees	302,403.80
Telephone	46,850.43
Travel & Ent	
Entertainment	25.88
Meals	20.19
Total Travel & Ent	<u>46.07</u>
Website Expense	670.50
Total Expense	<u>536,988.35</u>



1:47 PM  
04/27/08  
Account Basics

**LIFESTYLE TALKRADIO NETWORK, INC.**  
**Profit & Loss**  
January through December 2005

Jan - Dec 05

Ordinary Income/Expense	
Income	
Miscellaneous Revenue	4,300.00
Network Revenue	594,024.40
Per Inquiry Revenue	5,915.10
Total Income	600,939.50
Cost of Goods Sold	
Agency Commission	160,916.49
Commission Share	3,193.99
Total COGS	164,110.48
Gross Profit	439,829.02
Expense	
Advertising	7,386.00
Automobile Expense	8,684.48
Bank Service Charges	185.00
Computer Expense	15,867.59
Equipment Expense	904.69
Graphic Services	200.00
Insurance	
Disability Insurance	-249.56
Health Insurance	516.83
Total Insurance	267.27
Licenses and Permits	1,950.00
Miscellaneous	3,934.26
Office Supplies	7,939.70
Payroll Expenses	
Payroll -ADP Fees	1,909.67
Payroll Taxes	17,494.02
Total Payroll Expenses	19,403.69
Postage and Delivery	157.51
Printing and Reproduction	2,956.08
Professional Fees	
Outside Services	2,956.57
Total Professional Fees	2,956.57
Program Expense	97,068.50
Repairs	
Building Repairs	150.00
Computer Repairs	400.00
Total Repairs	550.00
Salaries	
Programming Salaries	158,648.53
Total Salaries	158,648.53
Studio Construction at WLIE	3,761.67
Studio Equipment	13,752.32
Talent Expenses	10,259.92
Talent Fees	619,733.64
Telephone	88,390.38
Travel & Ent	
Meals	9.65
Travel	250.00
Total Travel & Ent	259.65



7:47 PM

7/4/2009

Attachment 1.xls

LIFESTYLE TALKRADIO NETWORK, INC.

Profit & Loss

January through December 2005

	Jan - Dec 05
Website Expense	4,073.47
Total Expense	4,073.47
Net Ordinary Income	63,262.08
Net Income	<u>-630,262.08</u>

140 PM  
04/27/06  
Accrual Basis

LIFESTYLE TALKRADIO NETWORK, INC.  
**Balance Sheet**  
As of December 31, 2005

	Dec 31, 05
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Patriot Bank 54-0205812	1,690.38
Total Checking/Savings	1,690.38
Accounts Receivable	
Accounts Receivable	62,628.63
Total Accounts Receivable	62,628.63
Other Current Assets	
Payroll Advance	791.81
Total Other Current Assets	791.81
Total Current Assets	65,110.82
Fixed Assets	
Equipment	13,536.49
Total Fixed Assets	13,536.49
<b>TOTAL ASSETS</b>	<b>78,647.31</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	43,999.34
Total Accounts Payable	43,999.34
Other Current Liabilities	
Accrued Expenses	14,831.74
Accrued Payroll	6,944.62
Due to/from Business TalkRadio	614,287.07
Due to/from WGCH	9,936.64
DUE TO/FROM WLIE	-15,000.00
Total Other Current Liabilities	631,000.07
Total Current Liabilities	674,999.41
Total Liabilities	674,999.41
Equity	
Opening Bal Equity	100.00
Retained Earnings	33,809.98
Net Income	-630,262.08
Total Equity	-596,352.10
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>78,647.31</b>

## 9/25/2006

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2006													
Global Sales	42,957.75	60,618.00	57,622.24	84,882.00	68,229.00	67,410.80	51,323.00	45,503.06	0.00	0.00	0.00	0.00	478,545.85
Program Sales	116,159.91	113,959.64	115,884.64	138,405.80	127,509.64	120,709.64	128,355.80	105,409.64	0.00	0.00	0.00	0.00	966,394.71
Gross Revenue	159,117.66	174,577.64	173,506.88	223,287.80	195,738.64	188,120.44	179,678.80	150,912.70	0.00	0.00	0.00	0.00	1,444,940.56

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>2006 MISC</b>													
Per Inquiry	3,887.40	4,235.00	7,660.60	7,476.35	5,435.20	2,797.30	4,037.80	6,117.40	0.00	0.00	0.00	0.00	41,047.05
Sponsorship	25,673.05	22,138.44	22,138.44	25,242.90	15,353.84	19,153.84	16,942.30	15,153.84	0.00	0.00	0.00	0.00	161,796.65
Services	0.00	0.00	0.00	0.00	0.00	0.00	1.23	0.00	0.00	0.00	0.09	0.00	1.23
Misc. Total	29,560.45	26,373.44	29,799.04	32,719.25	20,789.04	21,951.14	20,981.33	21,271.24	0.00	0.00	0.00	0.00	203,444.93

[illegible]

Lifestyle (Billing)																										
2006	Jan		Feb		Mar		Apr		May		Jun		Jul		Aug		Sep		Oct		Nov		Dec		Total	
Global Sales	36,226.00		27,125.00		\$18,714.00		35,681.00		45,067.34		36,724.23		25,561.00		18638.42		0.00		0.00		0.00		0.00		243,736.99	
Network Sales	9,125.00		7,000.00		7000.00		8750.00		16,000.00		8,250.00		23,744.00		5200.00		0.00		0.00		0.00		0.00		85,069.00	
Gross Revenue	45,351.00		34,125.00		25,714.00		44,431.00		61,067.34		44,974.23		49,305.00		23,838.42		0.00		0.00		0.00		0.00		328,805.99	

2006 Misc	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Per Inquiry	1000.00	669.25	620.10	292.38	138.55	86.90	189.15	233.40	0.00	0.00	0.00	0.00	3,229.73

WLE (Billing)													
2006	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Network Revenue	5,800.60	18,273.70	16,561.00	12,810.20	16,531.00	12,513.70	5,880.00	2,725.00	-	-	-	-	91,095.20
Gross Revenue	5,800.60	18,273.70	16,561.00	12,810.20	16,531.00	12,513.70	5,880.00	2,725.00	0.00	0.00	0.00	0.00	91,095.20

Totals:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2006 Revenue	246,961.42	263,901.55	250,041.06	326,880.46	320,570.16	281,878.11	270,718.80	204,477.11	0.00	0.00	0.00	0.00	2,165,428.67

[illegible]

9/25/2006

## Lifestyle (Billing)

<u>2004</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Global Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Network Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,861.38	19,923.88	33,785.26
Gross Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,861.38	19,923.88	33,785.26
<u>2005</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Global Sales	1,651.00	17,590.00	28,641.00	29,273.71	61,512.12	69,852.00	46,415.00	57,759.00	30,143.00	39,566.00	53,419.69	45,624.08	481,446.60
Network Sales	13,674.25	6,978.50	6,850.00	9,875.00	13,525.00	5,724.74	9,500.00	6,750.00	7,675.00	10,700.00	12,500.00	8,500.00	112,252.49
Gross Revenue	15,325.25	24,568.50	35,491.00	39,148.71	75,037.12	75,576.74	55,915.00	64,509.00	37,818.00	50,266.00	65,919.69	54,124.08	593,699.09
<u>2005 Misc</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Per Inquiry	0.00	0.00	0.00	0.00	0.00	741.50	1,891.25	432.50	615.00	598.25	1,201.00	435.60	5,915.10
<u>2006</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Global Sales	36,226.00	27,125.00	\$18,714.00	35,681.00	45,067.34	36,724.23	25,561.00	18,638.42	0.00	0.00	0.00	0.00	243,736.99
Network Sales	9,125.00	7,000.00	7,000.00	8750.00	16,000.00	8,250.00	23,744.00	5,200.00	0.00	0.00	0.00	0.00	85,069.00
Gross Revenue	45,351.00	34,125.00	25,714.00	44,431.00	61,067.34	44,974.23	49,305.00	23,838.42	0.00	0.00	0.00	0.00	328,805.99
<u>2006 Misc</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Per Inquiry	1000.00	669.25	620.10	292.38	138.55	86.90	189.15	233.40	0.00	0.00	0.00	0.00	3,229.73

F A C S I M I L E

TO:

Name:

Joy Marshall

Fax #:

203-869-3636

Pages:

6 Pages

FROM:

Name:

SANDY GREENSPAN

Fax #:

413-274-6501

Date/Time:

Sept. 19, 2006.

MESSAGE:

[Empty lines for message content]



KJI BROADCASTING LLC  
Time: 2:36p  
BALANCE SHEET  
Accounting Period: June 2006

Page: 1

Revision 1

Date: 9/20/06

Balance  
end of  
June  
2006  
-----

ASSETS

CURRENT ASSETS		
1101-00-0	BERKSHIRE BANK CHECKING	14,938.83
1104-00-0	BERK BANK MONEY MARKET	1,013.02
1106-00-0	ROCKLAND TRUST	(82.49)
1111-00-0	ACCOUNTS RECEIVABLE	36,838.30
1113-00-0	TRADE ACCOUNTS RECEIVABLE	1.00
1114-65-0	PREPAID NEWS SERVICE	576.55
1118-00-0	PREPAID INSURANCE	(928.37)
TOTAL CURRENT ASSETS		52,356.84

FIXED ASSETS		
1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(297,739.78)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	9,097.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(6,025.86)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREIDATION - TRANSMIT	(5,666.67)
TOTAL FIXED ASSETS		206,248.47

OTHER ASSETS		
1180-00-0	INTERCO - WMVY	1,756,812.11
TOTAL OTHER ASSETS		1,756,812.11

TOTAL ASSETS		2,015,417.42
--------------	--	--------------

LIABILITIES AND CAPITAL

CURRENT LIABILITIES		
2110-00-0	ACCOUNTS PAYABLE	2,824.26
TOTAL CURRENT LIABILITIES		2,824.26

CAPITAL ACCOUNTS		
1199-00-0	RETAINED EARNINGS	2,050,526.48
TOTAL CAPITAL ACCOUNTS		2,050,526.48

KJI BROADCASTING LLC  
Time: 2:36p  
BALANCE SHEET  
Accounting Period: June 2006

Page: 2

Revision 1

16:21 9/20/06

	Balance end of June 2006 -----
TOTAL LIABILITIES AND CAPITAL	2,053,350.74
Net Income	(37,933.32)

SUMMARY:	
TOTAL ASSETS	2,015,417.42
TOTAL LIABILITIES AND CAPITAL	2,053,350.74
Net Income	(37,933.32)
	-----
Balance	10

Date: 9/20/06

KJI BROADCASTING LLC  
Time: 2:37p  
PROFIT/LOSS STATEMENT  
Accounting Period: June 2006

Page: 1

Revision 1

	NetChange June 2006	YTD thru end of June 2006
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	29,487.25	158,067.41
3100-00-0 AGENCY SALES	3,775.00	14,603.82
TOTAL REVENUE	33,262.25	172,671.23
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	566.25	2,190.57
4200-00-0 LOCAL COMMISSIONS	6,759.19	25,749.23
TOTAL DIRECT COST ACCOUNTS	7,325.44	27,939.80
GROSS MARGIN	25,936.81	144,731.43
OPERATING EXPENSE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	175.00	2,100.00
5504-00-0 POWER AND LIGHT	801.54	4,787.20
5506-00-0 TOWER RENT	2,000.00	12,000.00
TOTAL ENGINEERING	2,976.54	18,887.20
PROGRAMMING		
6501-00-0 PROGRAMMING SALARIES	9,285.40	40,829.65
6503-00-0 PAYROLL TAXES	1,138.32	5,071.03
6514-00-1 ASCAP	112.00	672.00
6514-00-2 BMI	125.80	754.80
6514-00-3 SESAC	79.25	475.50
6550-00-0 NEWS SERVICE	576.55	3,459.30
TOTAL PROGRAMMING	11,317.32	51,262.28
SALES		
7001-00-0 SALES SALARIES	9,000.00	35,000.00
7005-00-0 PAYROLL TAXES	1,557.11	6,592.99
720-00-0 SALES TRAVEL	200.00	1,300.00
TOTAL SALES	10,757.11	42,892.99
ADMINISTRATIVE		
8501-00-0 ADMINISTRATIVE SALARIES	1,152.00	5,091.00
8502-00-0 PAYROLL TAXES	143.31	709.01
8503-00-0 PAYROLL FEES	206.50	1,017.24
8505-00-0 PERSONAL PROPERTY TAX	0	433.15
8507-00-0 CORP TAXES AND FEES	0	830.00
	1,390.48	8,342.88



Date: 9/20/06

KJI BROADCASTING LLC

Time: 2:37p

Page: 2

PROFIT/LOSS STATEMENT

Accounting Period: June 2006

Revision 1

	NetChange June 2006	YTD thru end of June 2006
8817-00-0 PROFESSIONAL SERVICES	0	6,595.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	309.00	980.70
8823-00-0 POSTAGE	200.00	1,014.45
8824-00-0 OFFICE SUPPLIES	123.00	784.49
8825-00-0 SHIPPING	83.25	83.25
8829-00-0 GENERAL INSURANCE	350.00	2,100.00
8829-10-0 WORKERS COMP	50.00	300.00
8830-00-0 DUES AND SUBSCRIPTIONS	90.00	602.50
8832-00-0 HEALTH INSURANCE	603.32	4,754.43
3835-00-0 BANK FEES	48.00	161.75
TOTAL ADMINISTRATIVE	6,375.74	42,673.10
TOTAL OPERATING EXPENSE	31,426.71	155,715.57
CASH FLOW	(5,489.90)	(10,984.14)
OTHER INCOME AND EXPENSES		
0852-00-0 TRADE SALES	(9,663.25)	(48,192.65)
8860-00-0 TRADE CREDITS AND DISCOUNTS	9,662.25	48,191.65
9400-00-0 LEGAL	0	11,155.76
9421-00-0 ENGINEERING CONSULTING SERVIC	0	7,500.00
9600-00-0 INTEREST INCOME	0	(6.02)
9700-00-0 DEPRECIATION	0	8,300.44
TOTAL OTHER INCOME AND EXPENSE	(1.00)	26,949.18
Net Income	(5,488.90)	(37,933.32)
SUMMARY:		
CASH FLOW	(5,489.90)	(10,984.14)
Net Income	(5,488.90)	(37,933.32)

KJI BROADCASTING LLC  
Time: 2:36p  
BALANCE SHEET  
Accounting Period: June 2006

Page: 1

Revision 1

Date: 9/20/06

	Balance end of June 2006
<hr/>	
ASSETS	
CURRENT ASSETS	
1101-00-0 BERKSHIRE BANK CHECKING	14,938.83
1104-00-0 BERK BANK MONEY MARKET	1,013.02
1106-00-0 ROCKLAND TRUST	(82.49)
1101-00-0 ACCOUNTS RECEIVABLE	36,838.30
1103-00-0 TRADE ACCOUNTS RECEIVABLE	1.00
1104-00-0 PREPAID NEWS SERVICE	576.55
1108-00-0 PREPAID INSURANCE	(928.37)
	<hr/>
TOTAL CURRENT ASSETS	52,356.84
FIXED ASSETS	
1150-00-0 BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0 ACCUM DEP - CARPET	(2,317.50)
1152-00-0 GOODWILL	40,000.00
1153-00-0 AMORT - GOODWILL	(9,555.57)
1158-00-0 START UP	16,460.06
1159-00-0 AMORT - START UP	(16,460.06)
1160-00-0 WBET LICENSE	200,000.00
1161-00-0 AMORT - WBET LICENSE	(47,777.76)
1168-00-0 STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0 ACCUM DEP - STUDIO AND TECH	(297,739.78)
1172-00-0 OFFICE FURNITURE AND EQUIPMEN	9,097.92
1173-00-0 ACCUM DEP - OFFICE FURNITURE	(6,025.86)
1174-00-0 WBET EQUIP RELOCATION	10,000.00
1175-00-0 ACCUM DEPREICATION - TRANSMIT	(5,666.67)
	<hr/>
TOTAL FIXED ASSETS	206,248.47
OTHER ASSETS	
1180-00-0 INTERCO - WMVY	1,756,812.11
	<hr/>
TOTAL OTHER ASSETS	1,756,812.11
TOTAL ASSETS	2,015,417.42
LIABILITIES AND CAPITAL	
CURRENT LIABILITIES	
1110-00-0 ACCOUNTS PAYABLE	2,824.26
	<hr/>
TOTAL CURRENT LIABILITIES	2,824.26
CAPITAL ACCOUNTS	
1199-00-0 RETAINED EARNINGS	2,050,526.48
	<hr/>
TOTAL CAPITAL ACCOUNTS	2,050,526.48

KJ1 BROADCASTING LLC  
 Time: 2:33p  
 BALANCE SHEET  
 Accounting Period: June 2006

Page: 2

Revision 1

Date: 9/20/06

	Balance end of June 2006 -----
TOTAL LIABILITIES AND CAPITAL	2,053,350.74
Net Income	(37,933.32)

SUMMARY:	
TOTAL ASSETS	2,015,417.42
TOTAL LIABILITIES AND CAPITAL	2,053,350.74
Net Income	(37,933.32)
	-----
Balance	0

KJI BROADCASTING LLC

Time: 2:37p

Page: 1

PROFIT/LOSS STATEMENT

Accounting Period: June 2006

Revision 1

	NetChange June 2006	YTD thru end of June 2006
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	29,487.25	158,067.41
3100-00-0 AGENCY SALES	3,775.00	14,603.82
TOTAL REVENUE	33,262.25	172,671.23
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	566.25	2,190.57
4200-00-0 LOCAL COMMISSIONS	6,759.19	25,749.23
TOTAL DIRECT COST ACCOUNTS	7,325.44	27,939.80
GROSS MARGIN	25,936.81	144,731.43
OPERATING EXPENSE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	175.00	2,100.00
5504-00-0 POWER AND LIGHT	801.54	4,787.20
5506-00-0 TOWER RENT	2,000.00	12,000.00
TOTAL ENGINEERING	2,976.54	18,887.20
PROGRAMMING		
6501-00-0 PROGRAMMING SALARIES	9,285.40	40,829.65
6503-00-0 PAYROLL TAXES	1,130.32	5,071.03
6514-00-1 ASCAP	112.00	672.00
6514-00-2 BMI	125.00	754.80
6514-00-3 SESAC	79.25	475.50
6550-00-0 NEWS SERVICE	576.55	3,459.30
TOTAL PROGRAMMING	11,317.32	51,262.28
SALES		
701-00-0 SALES SALARIES	9,000.00	35,000.00
705-00-0 PAYROLL TAXES	1,557.11	6,592.99
720-00-0 SALES TRAVEL	200.00	1,300.00
TOTAL SALES	10,757.11	42,892.99
ADMINISTRATIVE		
8501-00-0 ADMINISTRATIVE SALARIES	1,152.00	5,091.00
8502-00-0 PAYROLL TAXES	143.31	709.01
8503-00-0 PAYROLL FEES	206.50	1,017.24
8505-00-0 PERSONAL PROPERTY TAX	0	433.15
8507-00-0 CORP TAXES AND FEES	0	830.00
	1,390.48	8,342.88

Date: 9/20/06

KJI BROADCASTING LLC

Time: 2:37p

Page: 2

PROFIT/LOSS STATEMENT

Accounting Period: June 2006

Revision 1

	NetChange June 2006	YTD thru end of June 2006
9817-00-0 PROFESSIONAL SERVICES	0	6,595.00
9822-00-0 COMPUTER SUPPLIES AND SERVICE	309.00	980.70
9823-00-0 POSTAGE	200.00	1,014.45
9824-00-0 OFFICE SUPPLIES	123.00	784.49
9825-00-0 SHIPPING	83.25	83.25
9828-00-0 GENERAL INSURANCE	350.00	2,100.00
9828-10-0 WORKERS COMP	50.00	300.00
9830-00-0 DUES AND SUBSCRIPTIONS	90.00	602.50
9832-00-0 HEALTH INSURANCE	603.32	4,754.43
9835-20-0 BANK FEES	48.00	161.75
TOTAL ADMINISTRATIVE	6,375.74	42,673.10
TOTAL OPERATING EXPENSE	31,426.71	155,715.57
CASH FLOW	(5,489.90)	(10,984.14)
OTHER INCOME AND EXPENSES		
0851-00-0 TRADE SALES	(9,663.25)	(48,192.65)
9860-00-0 TRADE CREDITS AND DISCOUNTS	9,662.25	48,191.65
9400-00-0 LEGAL	0	11,155.76
9420-00-0 ENGINEERING CONSULTING SERVICE	0	7,500.00
9600-00-0 INTEREST INCOME	0	(6.02)
9700-00-0 DEPRECIATION	0	8,300.44
TOTAL OTHER INCOME AND EXPENSE	(1.00)	26,949.18
Net Income	(5,488.90)	(37,933.32)
SUMMARY:		
CASH FLOW	(5,489.90)	(10,984.14)
Net Income	(5,488.90)	(37,933.32)

# **EXHIBIT I**

Reminder: AOL will never ask you to send us your password or credit card number in an email. This message has been scanned for known viruses.

**From:** jweeks@Withum.com  
**To:** jmarshall@businesstalkradio.net, motmarshall@aol.com  
**Subject:** additional information  
**Date:** Mon, 2 Oct 2006 6:08 PM

Hi Joy,

We need a few pieces of additional information to complete our procedures.

- 1) A list of customers who account for more than 10% of revenue for BTRN, WGCH and LTRN for 2005 and YTD 2006.
- 2) Sales journals for December 2005, March 2006 and June 2006 for BTRN, WGCH and LTRN
- 3) a list of all employees, positions and salaries. I thought you may have given this to us already, but I rechecked everything today and I can't locate the schedule.

I may select a few items to test after I review the information.

Fax or email will work.

Thanks,

Jim

James F. Weeks, CPA, CVA

**WithumSmith+Brown**

3040 Route 22 West, Suite 110

Somerville, NJ 08876

t. 908-526-6363 ext 312

f. 908-526-9944

jweeks@withum.com

To ensure compliance with U.S. Treasury rules, unless expressly stated otherwise, any U.S. tax advice contained in this communication (including attachments) is not intended or written to be used, and cannot be used, by the recipient for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code.

This email transmission, and any documents, files or previous email messages attached to it may contain confidential information that is legally privileged. If you are not the intended recipient or a person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of any of the information contained in or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender. Please destroy the original transmission and its attachments without reading or saving it in any manner.

Visit our website at... [www.withum.com](http://www.withum.com)!



## FAX COVER SHEET

Please

Deliver To:

Jim Weeks

Fax Number:

108-526-7744

From:

Jay Marshall

Fax Number:

(203) 422-2288

Date:

10/3/06

Time:

Number of pages (including this page):

Comments:

Reports requested.

P.O. Box 4826 \* Greenwich, CT 06831 \* (203) 422-2800 \* Fax: (203) 422-2288

[www.businesstalkradio.net](http://www.businesstalkradio.net)[www.lifestyletalkradio.com](http://www.lifestyletalkradio.com)



For all dates Ac=Acct Exec.SalesP (L)=linked transactions (Credits are shown as negatives)

## Acct Exec.SalesP Table:

2=HOUSE	8=Cheryl Witek	18=Liz	32=Jim O'Neal	62=COLLECTIONS	255=Abandoned
4=Mark Yusko	12=GIA KUCIC	21=Patrick O'Connor	60=MISC. INCOME	63=BAD DEBTS	
6=Chris Nevin	16=S. CASTELLANO	23=M.A. DeFelice	61=OVERPAYS	64=Trade	

Acct	Ac Name	InvNum	InvDate	Charges	AgyComCred	Tx Totals
10000	18 GREENWICH FIRE DEPARTMENT	24381	3/28/06	1,000.00	0.00	1,000.00
10000	18 A FASHIONABLE LIFE	24384	3/28/06	600.00	0.00	600.00
11000	18 ADF CO/TAKE HOME THE BREA	24386	3/28/06	2,100.00	0.00	2,100.00
11000	4 AITORO	24387	3/28/06	1,240.00	-186.00	1,054.00
12000	18 ALLURA	24388	3/28/06	800.00	0.00	800.00
12000	18 ALLURA	24389	3/28/06	1,200.00	0.00	1,200.00
19000	18 GREAT DATE NOW	24392	3/28/06	1,160.00	-174.00	986.00
25000	18 CONNECTICUT EDUCATION ASS	24396	3/28/06	640.00	-96.00	544.00
34000	2 FIRST CHURCH OF CHRIST SC	24398	3/28/06	660.00	0.00	660.00
34000	2 1ST CHURH OF CHRIST-STAMF	24399	3/28/06	700.00	0.00	700.00
34000	2 FIRST CONGREG CHURCH	24400	3/28/06	920.00	0.00	920.00
34400	2 FIRST UNITED METHODIST CH	24401	3/28/06	400.00	0.00	400.00
36000	2 GATEWAY CLASSICAL MUSICAL	24402	3/28/06	320.00	0.00	320.00
38000	18 GR. INDEPENDENT INSURANCE	24404	3/28/06	926.00	0.00	926.00
41000	2 GREENWICH HOSPITAL	24405	3/28/06	1,800.00	0.00	1,800.00
42000	18 GRIFFIN FORD	24408	3/28/06	1,490.00	-223.50	1,266.50
46000	2 IRA KLEINMAN PRODUCTIONS	24410	3/28/06	1,200.00	0.00	1,200.00
46000	6 J J CASSONE BAKERY	24411	3/28/06	104.00	0.00	104.00
47000	2 JOHN GRECO THE WAKE UP CA	24412	3/28/06	400.00	0.00	400.00
50000	18 LEXUS OF GREENWICH	24413	3/28/06	1,499.98	-225.00	1,274.98
52000	2 MARION JOYCE	24414	3/28/06	300.00	0.00	300.00
54000	32 MINCHIN BUICK - GMC TRUCK	24415	3/28/06	2,400.00	0.00	2,400.00
59000	18 OCEAN 211	24419	3/28/06	400.00	0.00	400.00
61000	18 PATIO.COM	24420	3/28/06	330.00	0.00	330.00
64000	2 PSI MARKETING CONSULTANTS	24422	3/28/06	320.00	0.00	320.00
65000	2 RADIO ADVERTISING, INC.	24423	3/28/06	140.00	0.00	140.00
66000	2 REAL ESTATE GUYS	24285	1/31/06	0.00	-131.25	-131.25
66000	2 REAL ESTATE GUYS	24362	2/28/06	0.00	-105.00	-105.00
66000	2 REAL ESTATE GUYS	24424	3/28/06	700.00	-105.00	595.00
69000	4 SHORE & COUNTRY PROPERTIE	24425	3/28/06	40.00	0.00	40.00
69000	2 SECOND CONG. CHURCH	24426	3/28/06	500.00	0.00	500.00
69000	2 RUL FINANCIAL NETWORK LLC	24427	3/28/06	4,000.00	0.00	4,000.00
71000	18 SMITH BARNEY CITIGROUP	24430	3/28/06	1,200.00	0.00	1,200.00
71000	18 SMITH BARNEY CITIGROUP	24431	3/28/06	800.00	0.00	800.00
75000	18 STATE FARM	24435	3/28/06	1,125.00	0.00	1,125.00
75000	18 WEICHERT REALTORS	24437	3/28/06	1,275.00	0.00	1,275.00
79000	2 THE GARY GOLDBERG SHOW	24439	3/28/06	769.20	-115.38	653.82
79000	2 GOOD STUFF W/ COLLEEN & T	24440	3/28/06	800.00	0.00	800.00

## Transaction Totals:

	Debits	Credits	Net
Charges:	\$34,259.18		\$34,259.18
Agency Commission Credits:		-\$1,361.13	-\$1,361.13
Totals:	\$34,259.18	-\$1,361.13	\$32,898.05

## Totals for Acct Exec.SalesP:

	Gross Charges	Net Comms	Net Change
2=HOUSE	\$13,929.20	-\$456.63	\$13,472.57
4=Mark Yusko	\$1,280.00	-\$186.00	\$1,094.00
6=Chris Nevin	\$104.00	\$0.00	\$104.00
18=Liz	\$16,545.98	-\$718.50	\$15,827.48
32=Jim O'Neal	\$2,400.00	\$0.00	\$2,400.00

Exec. Sales Table:

HOUSE	12=GIA KUCIC	21=Patrick O'Connor	60=MISC. INCOME	63=BAD DEBTS
Mark Nisko	16=S. CASTELLANO	23=M.A. DeFelice	61=OVERPAYS	64=Trade
Thery Wittek	18=Liz	32=Jim O'Neal	62=COLLECTIONS	255=Abandoned

InvNum	InvDate	Charges	AgyComCredit	Tx Totals
24118	12/29/05	250.00	0.00	250.00
24120	12/29/05	1,120.00	-168.00	952.00
24122	12/29/05	1,120.00	-168.00	952.00
24125	12/29/05	320.00	0.00	320.00
24126	12/29/05	400.00	0.00	400.00
24128	12/29/05	560.00	-84.00	476.00
24130	12/29/05	1,530.00	0.00	1,530.00
24132	12/29/05	2,000.00	-300.00	1,700.00
24134	12/29/05	448.00	-67.20	380.80
24136	12/29/05	1,440.00	0.00	1,440.00
24138	12/29/05	444.40	0.00	444.40
24141	12/29/05	600.00	-90.00	510.00
24142	12/29/05	960.00	0.00	960.00
24143	12/29/05	770.00	0.00	770.00
24144	12/29/05	840.00	0.00	840.00
24149	12/29/05	660.00	0.00	660.00
24150	12/29/05	700.00	0.00	700.00
24151	12/29/05	920.00	0.00	920.00
24152	12/29/05	400.00	0.00	400.00
24154	12/29/05	1,170.00	0.00	1,170.00
24156	12/29/05	25.00	0.00	25.00
24158	12/29/05	590.00	0.00	590.00
24160	12/29/05	1,980.00	0.00	1,980.00
24162	12/29/05	100.00	0.00	100.00
24163	12/29/05	1,350.00	0.00	1,350.00
24164	12/29/05	375.00	0.00	375.00
24166	12/29/05	300.00	0.00	300.00
24169	12/29/05	1,025.00	0.00	1,025.00
24171	12/29/05	350.00	0.00	350.00
24173	12/29/05	104.00	0.00	104.00
24174	12/29/05	400.00	0.00	400.00
24175	12/29/05	1,054.04	-158.11	895.93
24176	12/29/05	3,200.00	0.00	3,200.00
24178	12/29/05	700.00	0.00	700.00
24179	12/29/05	88.00	0.00	88.00
24181	12/29/05	150.00	0.00	150.00
24181	12/25/05	150.00	0.00	150.00
24185	12/29/05	2,430.00	0.00	2,430.00
24188	12/29/05	240.00	0.00	240.00
24079	11/30/05	0.00	-22.50	-22.50
24189	12/29/05	150.00	0.00	150.00
24190	12/29/05	599.96	0.00	599.96
24192	12/29/05	1,320.00	-198.00	1,122.00
24193	12/29/05	862.00	0.00	862.00
24194	12/29/05	760.00	0.00	760.00
24195	12/29/05	1,200.00	0.00	1,200.00
24198	12/29/05	300.00	0.00	300.00
24199	12/29/05	700.00	-105.00	595.00
24201	12/29/05	45.00	0.00	45.00
24202	12/29/05	10.00	0.00	10.00
24203	12/29/05	50.00	0.00	50.00
24204	12/29/05	500.00	0.00	500.00
24209	12/29/05	750.00	0.00	750.00
24212	12/29/05	1,500.00	0.00	1,500.00
24215	12/29/05	375.00	-56.25	318.75
24216	12/29/05	960.00	0.00	960.00
24219	12/29/05	900.00	0.00	900.00
24220	12/29/05	769.20	-115.38	653.82
24221	12/29/05	800.00	0.00	800.00
24223	12/29/05	187.50	-28.13	159.37
24224	12/29/05	550.00	0.00	550.00

Transaction Totals:

	Debits	Credits	Net
Charges:	\$44,552.10		\$44,552.10
Agency Commission Credits:		-\$1,560.57	-\$1,560.57
Totals:	\$44,552.10	-\$1,560.57	\$42,991.53

## Totals for Acct Exec SalesP:

	Gross Charges	Net Commsns	Net Change
SALES	\$10,449.20	-\$426.89	\$10,032.31
Net Sales	\$8,778.80	-\$731.33	\$8,047.47
Net PUCH	\$2,141.00	\$56.05	\$2,084.95
Net Inc	\$15,769.00	-\$158.11	\$15,630.89
Net A. Deficit	\$3,644.40	\$0.00	\$3,644.40
Net of Net	\$3,750.00	-\$198.00	\$3,552.00

## Acct Sales Table:

8=Theryl Witek	12=Liz	32=Jim O'Neal	62=COLLECTIONS	355=Abandoned
10=GIA KUCIC	21=Patrick O'Connor	60=MISC. INCOME	63=BAD DEBTS	
16=S. CASTELLANO	23=M.A. DeFelice	61=OVERPAYS	64=Trade	

Acct Name	InvNum	InvDate	Charges	AgyComCred	Tx Totals
18 GREENWICH FIRE DEPARTMENT	24643	6/30/06	1,000.00	0.00	1,000.00
18 MINUTEMAN PRESS	24645	6/30/06	540.00	0.00	540.00
18 KARL CHEVROLET & HUMMER	24646	6/30/06	750.00	0.00	750.00
18 BARCLAYS	24647	6/30/06	1,250.00	0.00	1,250.00
18 A FASHIONABLE LIFE	24650	6/30/06	600.00	0.00	600.00
18 AITORO	24653	6/30/06	1,000.00	-150.00	850.00
18 ALLURA	24655	6/30/06	1,600.00	0.00	1,600.00
21 DONNIE'S DELI	24657	6/30/06	400.00	0.00	400.00
18 BETTERIDGE JEWELERS	24659	6/30/06	1,000.00	-150.00	850.00
18 BMW OF GREENWICH	24660	6/30/06	640.00	-96.00	544.00
18 BMW OF GREENWICH	24661	6/30/06	1,032.00	-154.80	877.20
18 BMW OF GREENWICH	24662	6/30/06	500.00	-75.00	425.00
18 BRUCE PARK SPORTS	24663	6/30/06	150.00	0.00	150.00
18 BYRAM PHARMACY	24664	6/30/06	220.00	0.00	220.00
18 CRYSTAL ROCK WATER	24666	6/30/06	320.00	-48.00	272.00
18 CRYSTAL ROCK WATER	24667	6/30/06	342.00	-51.30	290.70
18 FIRST CHURCH OF CHRIST SC	24670	6/30/06	660.00	0.00	660.00
18 1ST CHURCH OF CHRIST-STAMP	24671	6/30/06	700.00	0.00	700.00
18 FIRST CONGREG CHURCH	24672	6/30/06	920.00	0.00	920.00
18 FIRST UNITED METHODIST CH	24674	6/30/06	400.00	0.00	400.00
18 GR. INDEPENDENT INSURANCE	24675	6/30/06	1,010.00	0.00	1,010.00
18 GREENWICH HOSPITAL	24676	6/30/06	450.00	0.00	450.00
18 IRA KLEINMAN PRODUCTIONS	24678	6/30/06	400.00	0.00	400.00
18 J J CASSONE BAKERY	24680	6/30/06	104.00	0.00	104.00
18 JOHN GRECO THE WAKE UP CA	24681	6/30/06	400.00	0.00	400.00
18 MEMBERS CREDIT UNION	24682	6/30/06	960.00	0.00	960.00
18 MARIANACCI'S	24684	6/30/06	600.00	0.00	600.00
18 MARION JOYCE	24685	6/30/06	150.00	0.00	150.00
18 MCDERMOTT PAINT & WALLPAP	24687	6/30/06	260.00	0.00	260.00
18 METROPOLITAN PGA	24688	6/30/06	250.00	0.00	250.00
18 MINCHIN BUICK - GMC TRUCK	24690	6/30/06	2,400.00	0.00	2,400.00
18 MONICA WEBSTER-INTERIOR D	24692	6/30/06	800.00	0.00	800.00
18 NEW CANAAN FARMERS MARKET	24697	6/30/06	300.00	0.00	300.00
18 OCEAN 211	24700	6/30/06	600.00	0.00	600.00
18 PACKAGES PLUS AND MORE	24702	6/30/06	600.00	0.00	600.00
18 PARTRIDGE & ROCKWELL	24703	6/30/06	250.00	0.00	250.00
18 PEOPLE'S BANK	24705	6/30/06	1,040.00	-156.00	884.00
18 PEOPLE'S BANK	24706	6/30/06	400.00	-60.00	340.00
18 PSI MARKETING CONSULTANTS	24708	6/30/06	320.00	0.00	320.00
18 RADIO ADVERTISING, INC.	24709	6/30/06	120.00	0.00	120.00
18 REAL ESTATE GUYS	24710	6/30/06	700.00	-105.00	595.00
18 SHORE & COUNTRY PROPERTIE	24714	6/30/06	320.00	0.00	320.00
18 SHORE & COUNTRY PROPERTIE	24715	6/30/06	500.00	0.00	500.00
18 SAM BRIDGE NURSERY	24716	6/30/06	2,000.00	0.00	2,000.00
18 SECOND CONG. CHURCH	24717	6/30/06	500.00	0.00	500.00
18 SMITH BARNEY CITIGROUP	24722	6/30/06	1,200.00	0.00	1,200.00
18 SMITH BARNEY CITIGROUP	24723	6/30/06	800.00	0.00	800.00
18 TALLOW'S END GIFT SHOP	24726	6/30/06	1,260.00	0.00	1,260.00
18 THE GARY GOLDBERG SHOW	24727	6/30/06	730.74	-109.61	621.13
18 TOYOTA OF GREENWICH	24728	6/30/06	1,300.00	-195.00	1,105.00
18 WHITE PLAINS HOSPITAL CEN	24729	6/30/06	1,521.00	-228.15	1,292.85

## Transaction Totals:

	Debits	Credits	Net
Charges:	\$36,269.74		\$36,269.74
Agency Commission Credits:		-\$1,578.86	-\$1,578.86
Totals:	\$36,269.74	-\$1,578.86	\$34,690.88

## Totals for Acct Exec.SalesP:

	Gross Charges	Net Commsns	Net Change
8=Theryl Witek	\$7,000.74	-\$214.61	\$6,786.13
10=GIA KUCIC	\$9,564.00	-\$920.10	\$8,643.90
16=S. CASTELLANO	\$15,465.00	-\$228.15	\$15,236.85
23=M.A. DeFelice	\$400.00	\$0.00	\$400.00
32=Jim O'Neal	\$3,840.00	-\$216.00	\$3,624.00

-----  
 101=PER INQUIRY 11=BTR- W. PROSLICH  
 102=PER- JEFF WEBER 103=Arandine  
 -----

## "NO AGENCY"

Line	Invoice	Invoice	Net Charges	AgencyComm	Tx Totals
101	DIAL GLOBAL COMMUNICATION	11/01/07 11/01/07	\$8,624.08	-\$8,843.61	\$8,780.47
102	ARANDINE.COM	11/01/07 11/01/07	1,000.00	0.00	1,000.00
103	AM PLANNING PARTNERS	11/01/07 11/01/07	1,000.00	0.00	1,000.00
104	WILLIAM SULLIVAN ADVERTISING	11/01/07 11/01/07	1,000.00	0.00	1,000.00
105	KEYSTONE BROADCASTING	11/01/07 11/01/07	1,000.00	0.00	1,000.00

## Agency Totals:

	Debits	Credits	Net
Net Charges	\$8,624.08		
Credit Adjustments:		\$0.00	
Net Total Charges:			\$8,624.08
Agency Commission Credits:		-\$8,843.61	
Agency Commission Debits:	\$0.00		
Net Agency Commissions:			-\$8,843.61
Total:	\$8,624.08	-\$8,843.61	\$47,280.47

## AIRTIME

## AMERICAN MEDIA PARTNERS

## DIAL-GLOBAL MEDIA: DGM

## KEYSTONE BROADCASTING

## WILLIAM SULLIVAN ADVERTISING

## Agency Totals:

	Debits	Credits	Net
Charges:	\$8,624.08		
Credit Adjustments:		\$0.00	
Net Total Charges:			\$8,624.08
Agency Commission Credits:		-\$8,843.61	
Agency Commission Debits:	\$0.00		
Net Agency Commissions:			-\$8,843.61
Total:	\$8,624.08	-\$8,843.61	\$47,280.47

-----  
 All amounts are shown in correct numerical order.  
 -----

BROADCASTING 1 PACIFIC

Helen

7/13/06

10:20a

Page 1

For all dates Sa=Salesperson (L)=linked transactions (Credits are shown as negatives)

Person Table:

1=REP	4=Jose Pino	14=Dial Global Medi	17=PER INQUIRY	21=BTR- W. FROELICH
4=USE	2=Holmes Pioneer	15=HCST AVIAL	20=BTR-JEFF WEBER	255=Abandoned

Agency: "NO AGENCY"

Agency	Agency Name	InvNum	InvDate	NetCharges	AgencyComm	Tx Totals
14	DIAL GLOBAL COMMUNICATION	103379	6/30/06	81,791.57	-12,262.74	69,522.83
15	THE FRANKIE ROYER SHOW	103395	6/30/06	2,000.00	0.00	2,000.00
16	US CHAMBER OF COMMERCE	103396	6/30/06	4,800.00	-960.00	3,840.00
17	Vidicom Inc.	103390	6/30/06	250.00	0.00	250.00
18	WORLD OF BOATING	103365	6/30/06	1,200.00	0.00	1,200.00

Agency Totals:

	Debits	Credits	Net
Charges:	\$90,041.57		
Credit Adjustments:		\$0.00	
Adjusted Charges:			\$90,041.57
Agency Commission Credits:		-\$13,228.74	
Agency Commission Debits:	\$0.00		
Net Agency Commissions:			-\$13,228.74
Totals:	\$90,041.57	-\$13,228.74	\$76,812.83

Agency: AIRTIME

Agency: AMERICAN MEDIA PARTNERS

Agency: DIAL-GLOBAL MEDIA: DGM

Agency: KEYSTONE BROADCASTING

Agency: TALK HARRIS

14	1 NATIONWIDE DENTAL	103419	6/30/06	3,600.00	-540.00	3,060.00
----	---------------------	--------	---------	----------	---------	----------

Agency Totals:

	Debits	Credits	Net
Charges:	\$3,600.00		
Credit Adjustments:		\$0.00	
Adjusted Charges:			\$3,600.00
Agency Commission Credits:		-\$540.00	
Agency Commission Debits:	\$0.00		
Net Agency Commissions:			-\$540.00
Totals:	\$3,600.00	-\$540.00	\$3,060.00

Transaction Totals:

	Debits	Credits	Net
Charges:	\$93,641.57		
Credit Adjustments:		\$0.00	
Adjusted Charges:			\$93,641.57
Agency Commission Credits:		-\$13,768.74	

LES REPORT (10/13/06)  
 10:20a  
 10:20a

For all dates Salesperson Helen 7/13/06  
 All linked transactions (Credits are shown as negatives)

Page 2

Transaction Totals:

	Debits	Credits	Net
Agency Commission Debits:	\$0.00		
Net Agency Commissions:			-913,768.74
Totals:	\$93,641.57	-913,768.74	\$79,672.83

.....  
 \* Asterisk indicates an account not in correct numerical order.  
 .....

Account	Name	InvNum	InvDate	Date	Amount	Type	Description	Type of Sale
1000	1 CORPORATE STRATEGIES	13592	12/31/05	12/25	2,000.00	Charge	4 Weekly Pack	Corp. Strategies
1000	1 CORPORATE STRATEGIES MERCHA	13593	12/31/05	12/25	0.00	Charge	12 30's No Charge	Corp. Strategies
1000	1 WARP RADIO	New		12/23	0.00	Charge	29 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/23	0.00	Charge	24 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/19	0.00	Charge	11 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/18	0.00	Charge	6 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/01	0.00	Charge	2 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/22	0.00	Charge	6 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/09	0.00	Charge	5 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/16	0.00	Charge	24 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/15	0.00	Charge	17 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/23	0.00	Charge	63 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/23	0.00	Charge	9 60's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/06	0.00	Charge	10 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/06	0.00	Charge	20 30's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/03	0.00	Charge	9 60's No Charge	WarpRadio
1000	1 WARP RADIO	New		12/03	0.00	Charge	8 30's No Charge	WarpRadio
1000	1 AMERICA'S DINING & TRAVEL	13594	12/31/05	12/25	1,400.00	Charge	4 Weekly Pack	Am. Dining/Trave
1000	1 AMERICA'S DINING & TRAVEL	13595	12/31/05	12/25	0.00	Charge	8 60's No Charge	Am. Dining/Trave
1000	1 AMERICA'S DINING & TRAVEL	13595	12/31/05	12/25	0.00	Charge	8 30's No Charge	Am. Dining/Trave
1000	1 AMERICA'S DINING & TRAVEL	13595	12/31/05	12/04	0.00	Charge	2 30's No Charge	Am. Dining/Trave
1000	1 AMERICA'S DINING & TRAVEL	13595	12/31/05	12/04	0.00	Charge	2 30's No Charge	Am. Dining/Trave
1000	1 AMERICA'S DINING & TRAVEL	13595	12/31/05	12/25	0.00	Charge	8 60's No Charge	Am. Dining/Trave
1000	1 AMERICA'S DINING & TRAVEL	13595	12/31/05	12/25	0.00	Charge	8 30's No Charge	Am. Dining/Trave
1000	1 AMERICA'S DINING & TRAVEL	13595	12/31/05	12/25	0.00	Charge	8 30's No Charge	Am. Dining/Trave
1000	1 AIM MORTGAGE	13596	12/31/05	12/25	0.00	Charge	12 30's No Charge	Corp. Strategies
1000	1 STRAUSS RADIO STRATEGIES	13597	12/31/05	12/22	1,350.00	Charge	6 60's @ \$225.00	Normal Spot Buy
1000	1 STRAUSS RADIO STRATEGIES	13597	12/31/05	12/22	1,350.00	Charge	6 60's @ \$225.00	Normal Spot Buy
1000	1 TALK BACK WEEKEND	13598	12/31/05	12/25	0.00	Charge	4 60's No Charge	Normal Spot Buy
1000	1 TALK BACK WEEKEND	13598	12/31/05	12/25	0.00	Charge	4 60's No Charge	Normal Spot Buy
1000	1 TALK BACK WEEKEND	13598	12/31/05	12/25	0.00	Charge	4 60's No Charge	Normal Spot Buy
1000	1 TALK BACK WEEKEND	13598	12/31/05	12/25	0.00	Charge	4 60's No Charge	Normal Spot Buy
1000	1 TALK BACK WEEKEND	13598	12/31/05	12/25	0.00	Charge	4 60's No Charge	Normal Spot Buy
1000	1 TALK BACK WEEKEND	13598	12/31/05	12/25	0.00	Charge	4 60's No Charge	Normal Spot Buy
1000	1 TALK BACK WEEKEND	13598	12/31/05	12/25	0.00	Charge	4 60's No Charge	Normal Spot Buy
1000	1 TALK BACK WEEKEND	13598	12/31/05	12/25	0.00	Charge	4 60's No Charge	Normal Spot Buy
1000	1 MULTIVU, A PR NEWSWIRE CO.	13599	12/31/05	12/01	200.00	Charge	1 60 @ \$200.00	Normal Spot Buy
1000	1 MULTIVU, A PR NEWSWIRE CO.	13599	12/31/05	12/01	400.00	Charge	1 120 @ \$400.00	Normal Spot Buy
1000	1 MULTIVU, A PR NEWSWIRE CO.	13599	12/31/05	12/07	200.00	Charge	1 60 @ \$200.00	Normal Spot Buy
1000	1 MULTIVU, A PR NEWSWIRE CO.	13599	12/31/05	12/08	200.00	Charge	1 60 @ \$200.00	Normal Spot Buy
1000	1 MULTIVU, A PR NEWSWIRE CO.	13599	12/31/05	12/09	200.00	Charge	1 60 @ \$200.00	Normal Spot Buy
1000	1 MULTIVU, A PR NEWSWIRE CO.	13599	12/31/05	12/12	200.00	Charge	1 60 @ \$200.00	Normal Spot Buy
1000	1 MULTIVU, A PR NEWSWIRE CO.	13600	12/31/05	12/12	200.00	Charge	1 60 @ \$200.00	Normal Spot Buy
1000	1 MULTIVU, A PR NEWSWIRE CO.	13600	12/31/05	12/14	200.00	Charge	1 60 @ \$200.00	Normal Spot Buy
1000	1 MULTIVU, A PR NEWSWIRE CO.	13600	12/31/05	12/15	200.00	Charge	1 60 @ \$200.00	Normal Spot Buy
1000	1 MULTIVU, A PR NEWSWIRE CO.	13600	12/31/05	12/16	200.00	Charge	1 60 @ \$200.00	Normal Spot Buy
1000	1 MULTIVU, A PR NEWSWIRE CO.	13600	12/31/05	12/22	200.00	Charge	1 60 @ \$200.00	Normal Spot Buy
1000	1 PERSONAL ALARM SECURITY SYS	12738	2/28/05	12/27	-320.00	Cr Adjust	Credit Adjustment	Normal Spot Buy
1000	1 PERSONAL ALARM SECURITY SYS	12738	2/28/05	12/27	48.00	Ag Com Db	Agency Commission Debit	Normal Spot Buy
1000	6 AIRTIME MEDIA LLC	13601	12/31/05	12/25	0.00	Charge	82 60's No Charge	Pre-Pay P.I.
1000	6 AIRTIME MEDIA LLC	13602	12/31/05	12/25	0.00	Charge	420 60's No Charge	Pre-Pay P.I.
1000	6 AIRTIME MEDIA LLC	13603	12/31/05	12/25	0.00	Charge	404 60's No Charge	Pre-Pay P.I.
1000	6 AIRTIME MEDIA LLC	13604	12/31/05	12/25	0.00	Charge	145 60's No Charge	Normal Spot Buy
1000	6 AIRTIME MEDIA LLC	13605	12/31/05	12/25	0.00	Charge	560 60's No Charge	Pre-Pay P.I.
1000	6 AIRTIME MEDIA LLC	13606	12/31/05	12/25	0.00	Charge	542 60's No Charge	Pre-Pay P.I.
1000	6 AIRTIME MEDIA LLC	13607	12/31/05	12/25	0.00	Charge	160 60's No Charge	Pre-Pay P.I.
1000	6 AIRTIME MEDIA LLC	13608	12/31/05	12/25	0.00	Charge	137 60's No Charge	Pre-Pay P.I.
1000	6 AIRTIME MEDIA LLC	13608	12/31/05	12/25	0.00	Charge	176 60's No Charge	Pre-Pay P.I.
1000	6 AIRTIME MEDIA LLC	13609	12/31/05	12/24	0.00	Charge	126 60's No Charge	Pre-Pay P.I.
1000	2 AMERICAN MEDIA PARTNERS	13610	12/31/05	12/25	0.00	Charge	560 60's No Charge	Pre-Pay P.I.
1000	2 AMERICAN MEDIA PARTNERS	13611	12/31/05	12/25	0.00	Charge	560 60's No Charge	Pre-Pay P.I.
1000	1 ASK ANDREA	13612	12/31/05	12/24	3,600.00	Charge	4 Weekly Pack	Pre-Pay P.I.
1000	1 ASK ANDREA	13612	12/31/05	12/24	-540.00	Ag Com Cr	Agency Commission Credit	Paid Programming
1000	1 ASK ANDREA	13613	12/31/05	12/24	0.00	Charge	4 30's No Charge	Normal Spot Buy
1000	1 ASK ANDREA	13613	12/31/05	12/24	0.00	Charge	4 30's No Charge	Normal Spot Buy
1000	1 ASK ANDREA	13613	12/31/05	12/24	0.00	Charge	4 60's No Charge	Normal Spot Buy
1000	1 ASK ANDREA	13613	12/31/05	12/24	0.00	Charge	4 30's No Charge	Normal Spot Buy
1000	1 ASK ANDREA	13613	12/31/05	12/24	0.00	Charge	4 30's No Charge	Normal Spot Buy
1000	1 ASK ANDREA	13613	12/31/05	12/24	0.00	Charge	4 30's No Charge	Normal Spot Buy
1000	1 ASK ANDREA	13613	12/31/05	12/24	0.00	Charge	4 30's No Charge	Normal Spot Buy
1000	8 BENEDENT CORP. TRIPLE PET	13614	12/31/05	12/24	375.00	Charge	4 Monthly Pack	Talkin' Pets
1000	8 BENEDENT CORP. TRIPLE PET	13614	12/31/05	12/03	0.00	Charge	3 60's No Charge	Talkin' Pets
1000	1 NEWS BROADCAST NETWORK	13615	12/31/05	12/01	150.00	Charge	1 60 @ \$150.00	Normal Spot Buy
1000	1 NEWS BROADCAST NETWORK	13615	12/31/05	12/02	150.00	Charge	1 60 @ \$150.00	Normal Spot Buy



Employee Information	Earnings	Rate	Hours	Amount	Federal Taxes	State/Local Taxes	Deductions	Net Pay	Check Cleared?
FRITSCH, RICHARD P <i>Sports Director / VP</i>	Gross SALARY			1,096.15	SS/Med Fed Wt	80.63 CT State	MED125 42.20	Net Pay	821.3
GUERRIER, DANIEL <i>VP</i>	Gross REGULAR	10.0000	26.00	260.00	SS/Med Fed Wt	19.89	150.25	Net Pay	236.9
HAMILTON, MATTHEW C <i>VP</i>	Gross REGULAR	10.0000	6.00	60.00	SS/Med	4.59		Net Pay	55.4
HORTON, STACY <i>Director of Affiliate Sales</i>	Gross SALARY			2,115.38	SS/Med Fed Wt	161.82 NY State	108.62	Net Pay	1500.0
METTER, MICHAEL <i>President</i>	Gross SALARY			8,561.54	SS/Med	124.15	CU401K 87.91	Net Pay	8349.4
MUNCH, DEBORAH J <i>Executive Assistant</i>	Gross SALARY			1,673.08	SS/Med Fed Wt	127.99 CT State	68.37	Net Pay	1211.8
PATCHOSKI, JOHN <i>Affiliate Rep / Show Host</i>	Gross SALARY			1,926.15	SS/Med Fed Wt	145.06	MED125 30.00	Net Pay	1462.2
PORCHEDDU, VICTOR J <i>VP</i>	Gross REGULAR	12.0000	26.00	312.00	SS/Med Fed Wt	23.87		Net Pay	287.7
RICHARDS, LESLIE A <i>VP</i>	Gross REGULAR	10.0000	36.00	360.00	SS/Med Fed Wt	27.54		Net Pay	319.3
ROMEO, DOMINICK N <i>VP</i>	Gross REGULAR	10.0000	13.00	130.00	SS/Med	9.95		Net Pay	120.0
SABOLBORO, WILVEN RAY A <i>Traffic Manager</i>	Gross SALARY			1,250.00	SS/Med Fed Wt	95.62 CT State	41.32	Net Pay	953.9
SAEZ, JERRY <i>VP</i>	Gross REGULAR	10.0000	24.00	240.00	SS/Med Fed Wt	18.36		Net Pay	220.5
SANSONE, PAUL S <i>New Hire</i>	Gross REGULAR	10.0000	30.00	300.00	SS/Med Fed Wt	22.95		Net Pay	257.2
SCHWARTZ, DAVID <i>VP</i>	Gross REGULAR	12.0000	60.00	720.00	SS/Med Fed Wt	55.08 CT State	5.04	Net Pay	600.3
SMALL, ROBERT <i>Operations Manager</i>	Gross SALARY			2,115.38	SS/Med Fed Wt	151.37 CT State	83.94	Net Pay	1465.6
SNYDER, CHRISTOPHER J <i>VP</i>	Gross REGULAR	10.0000	11.75	117.50	SS/Med Fed Wt	8.98	670.22	Net Pay	106.9
THOMAS, RONALD <i>VP</i>	Gross REGULAR	12.0000	45.50	546.00	SS/Med Fed Wt	41.77 CT State	.45	Net Pay	470.3
WEBER, JEFF <i>Executive Vice President</i>	Gross SALARY			4,800.00	SS/Med Fed Wt	69.60 CT State	225.11	Net Pay	3295.5
WEBER, MARK R <i>VP</i>	Gross REGULAR	12.0000	6.00	72.00	SS/Med	5.51		Net Pay	66.4

Client: M2F  
BUSINESS TALKRADIO NET

## Payroll Register

Period Covered: 08/12/2006 - 08/25/2006  
Check Date: 09/01/2006

Run: 19  
Week: 35  
Qtr: 3  
Page: 1



Client: NAX  
GREENWICH BROADCASTING CORP

# Payroll Register

Period Covered: 08/12/2006 - 08/25/2006  
Check Date: 09/01/2006

Run: 18  
Week: 35  
Ctr: 3  
Page: 1

Employee Information			Earnings	Rate	Hours	Amount	Federal Taxes	State/Local Taxes	Deductions	Net Pay	Check Clear?
ADAMS, ROBERT	#0001	Gross	600.00				SS/Med	45.90 CT State		Net Pay	<input checked="" type="checkbox"/>
DEFEUCE, MARY ANNE	#0004	REGULAR	15.0000	40.00		600.00	Fed Wt	60.58		Net Pay	<input checked="" type="checkbox"/>
		Gross	770.00				SS/Med	48.63 CT State		Net Pay	<input checked="" type="checkbox"/>
		SALARY	700.00				Fed Wt	35.35		Net Pay	<input checked="" type="checkbox"/>
		OTHER	70.00							Net Pay	<input checked="" type="checkbox"/>
FRIEDSCH, RICHARD P	#0030	Gross	50.00				SS/Med	3.83		Net Pay	<input checked="" type="checkbox"/>
		OTHER	50.00							Net Pay	<input checked="" type="checkbox"/>
JOSEPH, DIMA	#0010	Gross	1,230.77				SS/Med	94.15 CT State		Net Pay	<input checked="" type="checkbox"/>
		SALARY	1,230.77				Fed Wt	155.19		Net Pay	<input checked="" type="checkbox"/>
KOPFSCINSKI, ELIZABETH	#0040	Gross	1,600.00				SS/Med	109.67 CT State		Net Pay	<input checked="" type="checkbox"/>
		SALARY	1,600.00				Fed Wt	142.57		Net Pay	<input checked="" type="checkbox"/>
MARSHALL, JOY A	#0012	Gross	1,538.46				SS/Med	117.70 CT State		Net Pay	<input checked="" type="checkbox"/>
		SALARY	1,538.46				Fed Wt	132.88		Net Pay	<input checked="" type="checkbox"/>
ROMEO, LINDSEY M	#0036	Gross	1,050.00				SS/Med	77.10 CT State		Net Pay	<input checked="" type="checkbox"/>
		SALARY	1,050.00				Fed Wt	121.75		Net Pay	<input checked="" type="checkbox"/>
SAVINO, ANTHONY J	#0041	Gross	1,846.15				SS/Med	133.94 CT State		Net Pay	<input checked="" type="checkbox"/>
		SALARY	1,846.15				Fed Wt	174.67		Net Pay	<input checked="" type="checkbox"/>
YUSKO, MARK A	#0022	Gross	1,200.00				SS/Med	91.80 CT State		Net Pay	<input checked="" type="checkbox"/>
		DRAWTX	1,200.00				Fed Wt	163.08		Net Pay	<input checked="" type="checkbox"/>
Client Totals		Gross	9,885.38				SS/Med	722.72 CT State		Net Pay	<input checked="" type="checkbox"/>
		REGULAR	600.00	40.00			Fed Wt	986.07		Net Pay	<input checked="" type="checkbox"/>
		SALARY	7,965.38							Net Pay	<input checked="" type="checkbox"/>
		OTHER	120.00							Net Pay	<input checked="" type="checkbox"/>
		DRAWTX	1,200.00							Net Pay	<input checked="" type="checkbox"/>
Payroll Statistics		Employees Paid:	9								
		Active Employees Not Paid:	3								
		Terminated Employees Paid:	0								

3 Chks 1,758.53  
6 Depts 5,080.48  
9 Pays 6,839.01

Net Pay 904.97  
Direct Deposit 1194.03  
Check #10567230

Net Pay 791.66  
Direct Deposit 1095.03  
Check #10567228

Net Pay 861.39  
Direct Deposit 978.89  
Check #10567229

Net Pay 46.17  
Direct Deposit 474.21  
Check #10567229

Net Pay 46.17  
Direct Deposit 474.21  
Check #10567229

Net Pay 46.17  
Direct Deposit 474.21  
Check #10567229



Client: ALO  
LIFESTYLE TALKRADIO NETWORK IN

# Payroll Register

Period Covered: 08/12/2006 - 08/25/2006  
Check Date: 09/01/2006

Run: 19  
Week: 35  
Qtr: 3  
Page: 1

Employee Information	Earnings	Rate	Hours	Amount	Federal Taxes	State/Local Taxes	Deductions	Net Pay	Check
<b>BRITT JAMES S</b> #0023 Single/00 Board Op	Gross REGULAR	10.0000	51.00	510.00 510.00	SS/Med Fed Wt	39.02 47.08 NY State NY DIS	9.67 1.20	Net Pay Direct Deposit	413.03
<b>CATANIA, CARL C</b> #0024 Married/02 Board Op	Gross REGULAR	12.0000	68.00	816.00 816.00	SS/Med Fed Wt	62.42 25.45 NY State NY DIS	19.00 1.20	Net Pay Check #10567659	707.93
<b>COLETTA, PETER D</b> #0014 Single/00 Board Op	Gross REGULAR	12.0000	51.00	612.00 612.00	SS/Med Fed Wt	46.82 62.38 NY State NY DIS	13.93 1.20	Net Pay Direct Deposit	487.67
<b>ESPOSITO, LEONARD M</b> #0011 Single/05 Board Op	Gross REGULAR	10.0000	27.00	270.00 270.00	SS/Med Fed Wt	20.65 NY State NY DIS	.07 1.20	Net Pay Check #10567660	248.08
<b>SAVIN, MICHAEL C</b> #0009 Single/00 Board Op	Gross REGULAR	10.0000	54.00	540.00 540.00	SS/Med Fed Wt	41.31 51.58 NY State NY DIS	10.87 1.20	Net Pay Direct Deposit	435.04
<b>GROSSACK, ADAM J</b> #0012 Single/00 Board Op	Gross SALARY			923.08 923.08	SS/Med Fed Wt	70.61 109.04 NY State NewYork	30.67 1.20 19.76	Net Pay Direct Deposit	691.80
<b>ANNUNZI, JOHN J</b> #0001 Single/00 Operations Manager	Gross SALARY			1,480.77 1,480.77	SS/Med Fed Wt	113.28 216.77 NY State NY DIS	67.79 1.20	Net Pay Check #10567661	1038.76
<b>SAMOREUX, KETH R</b> #0020 Single/00 Board Op	Gross REGULAR	10.0000	18.00	180.00 180.00	SS/Med Fed Wt	13.77 7.81 NY DIS	.90	Net Pay Check #10567662	157.52
<b>MESZAROS, REBECCA</b> #0022 Single/03 Board Op	Gross REGULAR	14.0000	65.00	910.00 910.00	SS/Med Fed Wt	69.62 49.96 NY State NY DIS	23.09 1.20	Net Pay Direct Deposit	766.13
<b>RUSSO, MICHAEL LAWRENCE</b> #0002 Single/00 Board Op	Gross REGULAR	10.0000	26.00	260.00 260.00	SS/Med Fed Wt	19.89 15.81 NY DIS	1.20	Net Pay Direct Deposit	223.10
<b>SCHLEISNER, WILLIAM B</b> #0026 Single/01 Board Op	Gross REGULAR	12.0000	43.00	516.00 516.00	SS/Med Fed Wt	39.47 28.94 NY State NY DIS	8.37 1.20	Net Pay Check #10567663	438.02
<b>MARK, JEFFREY S</b> #0005 Single/00 Board Op	Gross REGULAR	12.0000	72.00	864.00 864.00	SS/Med Fed Wt	66.10 100.18 NY State NY DIS	27.19 1.20	Net Pay Direct Deposit	669.33
<b>Department Totals</b>	Gross REGULAR SALARY			7,881.85 5,478.00 2,403.85	SS/Med Fed Wt	602.96 715.00 NY State NewYork	210.65 14.10 19.76	HEALTH 42.97 5 Chks 7 Deps 12 Pays	2,590.31 3,686.10 6,276.41
<b>CLIENT TOTALS</b>									
<b>Payroll Statistics</b>	Employees Paid: 12 Active Employees Not Paid: 4 Terminated Employees Paid: 0								

For calendar month: June, 2006

Ac=Account Exec.

(L)=linked transactions

(Credits are shown as negatives)

## Account Exec. Table:

1=House	6=BILL FROELICH	9=Ken Kline	13=Craig Crossman	17=Tom Kelly	22=Bill Chase
4=Jeff Weber	8=Jon Patch	10=Global Media	15=Matrix Media	18=Pierre Wolfe	255=Abandoned

Agent	Ac Name	InvNum	InvDate	NetCharges	AgencyComm	Tx Totals
10006	1 1ST MARINER BANK	14126	6/30/06	6,000.00	0.00	6,000.00
10037	4 CORPORATE STRATEGIES	14127	6/30/06	2,000.00	0.00	2,000.00
10162	4 AMERICA'S DINING & TRAVEL	14130	6/30/06	1,400.00	0.00	1,400.00
10322	1 MULTIVU, A PR NEWSWIRE CO	14133	6/30/06	1,800.00	0.00	1,800.00
10322	1 MULTIVU, A PR NEWSWIRE CO	14134	6/30/06	800.00	0.00	800.00
10719	1 AMERICAN LAND TITLE ASSOC	14140	6/30/06	1,100.00	0.00	1,100.00
11148	1 ASK ANDREA	14143	6/30/06	3,600.00	-540.00	3,060.00
12896	8 BENEDENT CORP. TRIPLE PET	14145	6/30/06	375.00	0.00	375.00
13611	1 NEWS BROADCAST NETWORK	14146	6/30/06	4,500.00	0.00	4,500.00
15237	4 BUSINESS OF SUCCESS	14147	6/30/06	3,000.00	0.00	3,000.00
18770	1 CHICK CHAT	14149	6/30/06	1,800.00	0.00	1,800.00
19465	1 COLLECTOR'S COACH	14150	6/30/06	1,600.00	0.00	1,600.00
22921	1 DON MCDONALD	14155	6/30/06	2,800.00	0.00	2,800.00
25486	4 EQUITY STRATEGIES	14157	6/30/06	1,200.00	0.00	1,200.00
26059	1 FAMILY BUSINESS DOCTOR	14158	6/30/06	2,000.00	0.00	2,000.00
28556	10 GLOBAL MEDIA	14160	6/30/06	67,410.80	0.00	67,410.80
30710	4 FUTURE TALK	14162	6/30/06	600.00	0.00	600.00
31106	1 HOME TALK	14165	6/30/06	2,000.00	0.00	2,000.00
31931	8 PETASTIC	14166	6/30/06	1,500.00	0.00	1,500.00
32512	1 INVESTING CONSERVATIVELY	14168	6/30/06	1,200.00	0.00	1,200.00
32521	1 INVESTED CENTRAL/J.S.HOPK	14169	6/30/06	17,200.00	0.00	17,200.00
32820	4 INVESTOR'S EDGE	14173	6/30/06	7,500.00	0.00	7,500.00
41902	1 DOVELL BONNETT	14176	6/30/06	3,500.00	-525.00	2,975.00
44530	4 SCUBA RADIO	14181	6/30/06	2,400.00	0.00	2,400.00
48186	1 MEDIA LINK	14185	6/30/06	2,800.00	0.00	2,800.00
48186	1 MEDIA LINK	14187	6/30/06	7,200.00	0.00	7,200.00
48835	1 MONEY DOTS	14190	6/30/06	2,800.00	0.00	2,800.00
52652	17 WASHINGTON MUTUAL	14192	6/30/06	1,884.64	0.00	1,884.64
53411	8 SMART PRACTICE	New		1,000.00	0.00	1,000.00
57904	4 STEVE CROWLEY'S AMERICAN	New		22,000.00	0.00	22,000.00
57963	1 STOCK TALK RADIO, LLC	New		11,000.00	0.00	11,000.00
60919	8 TRAVEL W/STEPH A.	New		3,000.00	0.00	3,000.00
60927	1 TRAVEL WITH STEPHANIE ABR	New		1,000.00	0.00	1,000.00

## Transaction Totals:

	Debits	Credits	Net
Charges:	\$189,970.44		
Credit Adjustments:		\$0.00	
Adjusted Charges:			\$189,970.44
Agency Commission Credits:		-\$1,065.00	
Agency Commission Debits:	\$0.00		
Net Agency Commissions:			-\$1,065.00
Totals:	\$189,970.44	-\$1,065.00	\$188,905.44

## Totals for Account Exec.:

	Gross Charges	Cred Adjusts	Adjusted Chrgs	Net Commsns	Net Change
1-House	\$74,700.00	\$0.00	\$74,700.00	-\$1,065.00	\$73,635.00
4-Jeff Weber	\$40,100.00	\$0.00	\$40,100.00	\$0.00	\$40,100.00
8-Jon Patch	\$5,875.00	\$0.00	\$5,875.00	\$0.00	\$5,875.00
10-Global Media	\$67,410.80	\$0.00	\$67,410.80	\$0.00	\$67,410.80
17-Tom Kelly	\$1,884.64	\$0.00	\$1,884.64	\$0.00	\$1,884.64



5-YEAR HISTORY REPORT

LIBERTY BROADCASTING 1 RADIO  
From Account Totals

Helen

10/3/06

10:49a

Descending order by total amount

Page 2

Sa - Salesperson

Agency: **K&O BROADCASTING**

Acct	Sa	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
41187	8 OPPORTUNITIES & OPTIONS													
2005	3,750	0	0	0	0	0	0	0	0	0	0	0	0	3,750

Agency: **KEYSTONE BROADCASTING**

16230	4 DEBT USA													
2005	1,955	0	0	0	0	0	0	0	0	0	0	0	0	1,955

74114	4 QUANTUM MEMORY													
2005	45	3	0	0	0	0	0	0	0	0	0	0	0	48

Agency Totals:

2005	2,000	3	0	0	0	0	0	0	0	0	0	0	0	2,003
------	-------	---	---	---	---	---	---	---	---	---	---	---	---	-------

Agency: **RAINMAKERS INTL**

73031	4 PROSTEP													
2005	489	0	0	0	0	0	0	0	0	0	0	0	0	489

Agency: **WILLIAM SULLIVAN ADVERTISING**

14404	21 WILLIAM SULLIVAN ADVERTISING													
2005	0	0	0	0	0	0	0	0	0	0	0	3,600	0	3,600

5-YEAR HISTORY REPORT

LIBERTY BROADCASTING 1 RADIO  
 From Account Totals

Helen

10/3/06

10:49a

Page 1

Descending order by total amount

Sa = Salesperson

Salesperson Table:

1=NO REP 4=Jose Pino 14=Dial Global Medi 17=PER INQUIRY 21=BTR- W. FROELICH  
 2=HOUSE 7=Holmes Stoner 15=HOST AVIAL 20=BTR-JEFF WEBER 255=Abandoned

Agency: **"NO AGENCY"**

Acct	Sa	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
41224	14 DIAL GLOBAL COMMUNICATIONS													
2006		0	63,352	18,714	35,681	0	81,792	17,794	18,638	0	0	0	0	235,971
96375	4 US CHAMBER OF COMMERCE													
2006		6,000	4,800	4,800	6,000	4,800	4,800	5,925	4,800	0	0	0	0	41,925
14371	2 WORLD OF BOATING													
2006		1,500	1,200	1,200	1,500	1,200	1,200	1,500	1,200	0	0	0	0	10,500
80792	15 THE FRANKIE BOYER SHOW													
2006		1,250	1,000	1,000	1,250	0	2,000	1,250	1,000	0	0	0	0	8,750
50622	1 INSIGHTS FUTURIST RADIO													
2006		0	0	0	0	0	0	2,000	2,000	0	0	0	0	4,000
74131	1 Vidicom Inc.													
2006		0	0	0	0	0	250	0	500	0	0	0	0	750
12255	1 ANHEUSER/BUSCH (LYONS PR)													
2006		0	0	0	0	0	0	500	0	0	0	0	0	500
14611	1 BLOCKBUSTER													
2006		0	0	0	0	0	0	0	500	0	0	0	0	500
76101	1 SCORESANDODDS.COM													
2006		375	0	0	0	0	0	0	0	0	0	0	0	375
Agency Totals:														
2006		9,125	70,352	25,714	44,431	6,000	90,042	28,969	28,638	0	0	0	0	303,271

Agency: **TALK HARRIS**

14472	1 NATIONWIDE DENTAL													
2006		0	0	0	900	9,000	3,600	0	0	0	0	0	0	13,500



## Account Exec. Table:

Account Exec. Table:														
1=House	6=BILL FROELICH	9=Ken Kline	13=Craig Crossman	17=Tom Kelly	22=Bill Chase									
4 Jeff Weber	8=Jon Patch	10=Global Media	15=Matrix Media	18=Pierre Wolfe	25=Abandoned									
Account	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
28506	10 GLOBAL MEDIA													
2006		42,958	60,618	57,622	84,882	68,229	67,411	51,323	0	0	0	0	0	433,043
5794	4 STEVE CROWLEY'S AMERICAN SCENE													
2006		22,000	22,000	22,000	22,000	22,000	22,000	22,000	0	0	0	0	0	154,000
32511	1 INVESTED CENTRAL/J.S.HOPKINS													
2006		21,250	17,200	17,200	21,500	17,200	17,200	21,500	0	0	0	0	0	133,050
57913	1 STOCK TALK RADIO, LLC													
2006		5,500	11,000	11,000	13,750	11,000	11,000	13,750	0	0	0	0	0	77,000
48186	1 MEDIA LINK													
2006		8,600	13,000	9,400	13,400	11,400	10,400	10,600	0	0	0	0	0	76,800
32810	4 INVESTOR'S EDGE													
2006		7,500	7,500	7,500	7,500	7,500	7,500	7,500	0	0	0	0	0	52,500
13611	1 NEWS BROADCAST NETWORK													
2006		4,500	5,550	3,750	4,950	4,800	4,500	5,250	0	0	0	0	0	33,300
11148	1 ASK ANDREA													
2006		4,500	3,600	3,600	4,500	3,600	3,600	4,500	0	0	0	0	0	27,900
10006	1 1ST MARINER BANK													
2006		0	0	0	6,000	12,000	6,000	0	0	0	0	0	0	24,000
48808	1 MONEY DOTS													
2006		3,500	2,800	2,800	3,500	2,800	2,800	3,500	0	0	0	0	0	21,700
15231	4 BUSINESS OF SUCCESS													
2006		3,000	3,000	3,000	3,000	3,000	3,000	3,000	0	0	0	0	0	21,000
44531	4 SCUBA RADIO													
2006		3,000	2,400	2,400	3,000	2,400	2,400	3,000	0	0	0	0	0	18,600
10321	1 MULTIVU, A PR NEWswire CO.													
2006		2,200	1,400	2,000	4,000	2,400	2,600	1,400	0	0	0	0	0	16,000
10031	4 CORPORATE STRATEGIES													
2006		2,500	2,000	2,000	2,500	2,000	2,000	2,500	0	0	0	0	0	15,500
19461	1 COLLECTOR'S COACH													
2006		0	3,600	3,200	2,000	1,600	1,600	2,000	0	0	0	0	0	14,000
18771	1 CHICK CHAT													
2006		2,250	1,800	1,800	2,250	1,800	1,800	2,250	0	0	0	0	0	13,950
32511	1 INVESTING CONSERVATIVELY													
2006		2,900	2,200	2,200	2,750	1,200	1,200	1,500	0	0	0	0	0	13,950
52651	17 WASHINGTON MUTUAL													
2006		1,413	1,885	1,885	2,356	1,885	1,885	2,356	0	0	0	0	0	13,665
31108	1 HOME TALK													
2006		0	0	4,000	2,500	2,000	2,000	2,500	0	0	0	0	0	13,000
61954	13 PREMIO													
2006		2,000	1,750	1,750	1,750	1,000	750	2,000	0	0	0	0	0	11,000
10161	4 AMERICA'S DINING & TRAVEL													
2006		1,750	1,400	1,400	1,750	1,400	1,400	1,750	0	0	0	0	0	10,850
31931	8 PETASTIC													
2006		1,500	1,500	1,500	1,500	1,500	1,500	1,500	0	0	0	0	0	10,500
53356	1 SMALL BIZ AMERICA													
2006		2,950	1,000	2,300	1,300	1,300	0	875	0	0	0	0	0	9,725
22921	1 DON MCDONALD													
2006		0	0	0	0	2,800	2,800	3,500	0	0	0	0	0	9,100



Account	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
26059	1 FAMILY BUSINESS DOCTOR													
	2006	0	0	0	2,500	2,000	2,000	2,500	0	0	0	0	0	9,000
25486	4 EQUITY STRATEGIES													
	2006	1,500	0	1,200	1,500	900	1,200	1,700	0	0	0	0	0	8,000
53411	8 SMART PRACTICE													
	2006	1,071	1,000	1,000	1,000	1,000	1,000	1,000	0	0	0	0	0	7,071
60927	1 TRAVEL WITH STEPHANIE ABRAMS													
	2006	0	0	2,000	1,000	1,000	1,000	1,000	0	0	0	0	0	6,000
70851	4 WINNING IN BUSINESS													
	2006	3,000	1,200	1,800	0	0	0	0	0	0	0	0	0	6,000
29344	1 GROCOR LTD													
	2006	0	0	0	3,000	1,800	0	0	0	0	0	0	0	4,800
53041	1 SKIN DEEP													
	2006	2,500	2,000	0	0	0	0	0	0	0	0	0	0	4,500
30710	4 FUTURE TALK													
	2006	600	600	600	600	600	600	600	0	0	0	0	0	4,200
41902	1 DOVELL BONNETT													
	2006	0	0	0	0	0	3,500	0	0	0	0	0	0	3,500
10250	4 STRAUSS RADIO STRATEGIES													
	2006	1,800	0	225	675	675	0	0	0	0	0	0	0	3,375
12899	8 BENEDENT CORP. TRIPLE PET													
	2006	375	375	375	375	375	375	975	0	0	0	0	0	3,225
10719	1 AMERICAN LAND TITLE ASSOC													
	2006	0	0	0	0	275	1,100	1,375	0	0	0	0	0	2,750
26041	4 SWISS AMERICA													
	2006	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000
44427	1 SCORESANDODDS.COM													
	2006	500	0	0	0	0	0	0	0	0	0	0	0	500
29311	1 GROCERY MANUFACTURER'S ASSOC													
	2006	0	0	0	0	0	0	275	0	0	0	0	0	275

Grand Totals

	2006
Jan	159,117
Feb	172,378
Mar	171,507
Apr	223,288
May	195,439
Jun	188,121
Jul	179,479
Aug	0
Sep	0
Oct	0
Nov	0
Dec	0
	=====
Total	1,289,329

The totals on the 5-year report may not accurately reflect past activity.  
 Deleting accounts with no activity modifies the total amounts in the 5-year  
 history data. These totals are not intended for any type of auditing purpose.

## 5-YEAR HISTORY REPORT

BusinessTalkradio, Inc.  
From Account Totals

Case 1:08-cv-06228-RPP

BusinessTalkradio, Inc.  
Descending order by total amount

Document 15-9 Filed 08/06/2008

Page 21 of 33

cash  
Page 1  
Ac = Account Exec.

## Account Exec. Table:

1=House 4=Jeff Weber		6=Bill Froelich 8=Jon Patch			9=Ken Kline 10=Global Media			13=Craig Crossman 15=Matrix Media		17=Tom Kelly 18=Pierre Wolfe		22=Bill Chase 255=Abandoned			
Account	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
28554	10 GLOBAL MEDIA	2005	38,204	40,985	50,340	33,110	68,126	43,106	665	47,031	40,534	79,408	62,431	44,313	548,253
57964	4 STEVE CROWLEY'S AMERICAN SCENE	2005	17,000	17,000	17,000	8,500	17,000	17,000	20,000	21,000	22,000	22,000	22,000	22,000	222,500
48184	1 MEDIA LINK	2005	9,800	11,201	9,600	11,800	19,200	13,600	11,400	8,400	11,200	19,800	16,600	15,600	158,201
32824	4 INVESTOR'S EDGE	2005	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
32524	1 INVESTED CENTRAL/J.S.HOPKINS	2005	2,750	2,200	2,200	2,200	2,750	2,200	2,695	8,200	10,200	18,750	15,650	16,200	85,995
34034	4 ACTIVE INVESTOR/JAMES DICKS.CO	2005	12,000	12,000	12,000	12,000	12,000	12,000	0	0	0	0	0	0	72,000
70944	4 WIZETRADE.COM, INC.	2005	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	0	0	0	0	64,000
13614	1 NEWS BROADCAST NETWORK	2005	4,050	4,050	3,450	6,750	3,700	3,600	5,900	3,600	3,150	5,850	5,700	5,550	55,350
43324	1 RJL FINANCIAL NETWORK, LLC	2005	10,000	10,000	0	0	0	0	10,000	10,000	10,000	0	0	0	50,000
10374	1 LIND-WALDOCK, DIV OF REFCO LLC	2005	0	0	18,530	21,177	5,294	0	0	0	0	0	0	0	45,001
10034	4 CORPORATE STRATEGIES	2005	4,500	2,600	3,600	3,600	4,500	3,600	4,500	3,600	3,600	4,500	2,000	2,000	42,600
10294	4 THE MARK SELEZNOV SHOW	2005	12,500	10,000	10,000	10,000	0	0	0	0	0	0	0	0	42,500
48804	1 MONEY DOTS	2005	3,500	1,200	2,800	4,400	3,500	2,800	3,500	2,800	2,800	3,500	2,800	2,800	36,400
70854	4 WINNING IN BUSINESS	2005	3,000	1,200	3,600	2,400	3,000	2,400	3,000	2,400	2,400	3,000	2,400	2,400	31,200
15234	4 BUSINESS OF SUCCESS	2005	3,750	3,000	0	2,505	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,255
44534	4 SCUBA RADIO	2005	3,000	2,400	2,400	0	2,400	3,000	3,000	2,400	2,400	3,000	2,400	2,400	28,800
59664	1 WATCHDOG ON WALL STREET	2005	3,825	3,060	3,060	3,060	0	0	3,825	3,060	1,734	3,825	3,060	0	28,509
53084	1 SKIN DEEP	2005	2,500	1,865	2,000	3,000	2,500	2,000	2,500	2,000	2,000	2,500	2,000	2,000	26,865
19464	1 COLLECTOR'S COACH	2005	2,875	2,300	2,300	2,300	2,875	2,300	2,875	2,300	1,950	2,000	1,600	400	26,075
57844	6 STANFORD FINANCIAL GROUP	2005	0	0	6,000	3,000	3,000	0	4,020	5,360	2,680	0	0	0	24,060
18774	1 CHICK CHAT	2005	2,250	1,800	1,800	1,800	2,250	1,800	2,250	1,800	1,800	2,250	1,800	1,800	23,400
11144	1 ASK ANDREA	2005	0	0	0	0	0	0	4,500	3,600	2,835	4,500	3,600	3,600	22,635
52652	17 WASHINGTON MUTUAL	2005	2,356	1,885	1,885	1,885	2,356	1,885	2,356	1,885	1,885	2,356	1,885	0	22,619
67264	1 WELLS FARGO HOME MORTGAGES	2005	2,321	1,857	1,857	0	2,321	1,857	2,321	1,857	1,857	2,321	1,857	1,857	22,283

Account	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
10322	1	MULTIVU, A PR	NEWSWIRE CO.											
	2005	600	1,000	400	1,800	1,800	1,800	200	800	1,600	4,000	3,600	2,600	20,200
10071	4	MARKET WRAP												
	2005	4,250	3,400	3,400	3,850	4,000	0	0	0	0	0	0	0	18,900
61954	13	PREMIO												
	2005	750	750	1,250	1,250	1,250	1,750	1,750	1,750	2,000	2,000	2,000	1,750	18,250
10142	4	AMERICA'S DINING & TRAVEL												
	2005	1,750	1,400	1,400	1,400	1,750	1,400	1,750	1,400	1,400	1,750	1,400	1,400	18,200
32513	1	INVESTING CONSERVATIVELY												
	2005	0	0	0	0	0	0	3,500	2,800	2,800	3,500	2,800	2,800	18,200
33267	1	INVESTREND/STREET SIGNALS												
	2005	2,500	2,000	2,000	2,000	2,500	2,000	0	2,000	2,000	0	0	0	17,000
25486	4	EQUITY STRATEGIES												
	2005	1,500	900	1,500	2,400	1,500	1,200	1,500	1,200	1,200	1,500	1,200	1,200	16,800
11194	6	ASSET PROTECTION GROUP, INC.												
	2005	3,250	3,000	6,000	1,500	0	0	3,000	0	0	0	0	0	16,750
31981	8	PETASTIC												
	2005	0	0	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	13,500
89691	1	YOUTH SPORTS RADIO												
	2005	0	0	2,000	2,000	2,500	2,000	2,500	2,000	0	0	0	0	13,000
52697	1	FINANCIAL FREEDOM SR FUND CORP												
	2005	1,597	1,277	1,277	1,276	1,597	1,277	1,597	1,277	1,277	319	0	0	12,771
10364	1	PERSONAL ALARM SECURITY SYS.												
	2005	2,880	3,840	3,840	0	0	0	0	0	0	0	0	0	10,560
43761	1	SASHCO												
	2005	0	0	2,640	2,640	3,300	0	0	0	0	0	0	0	8,580
30711	4	FUTURE TALK												
	2005	500	500	600	600	600	600	600	600	600	600	600	600	7,000
10251	4	STRAUSS RADIO STRATEGIES												
	2005	0	450	450	0	450	0	0	0	1,775	0	450	2,700	6,275
49241	1	SECURITIES AMERICA, INC.												
	2005	0	6,250	0	0	0	0	0	0	0	0	0	0	6,250
10387	6	AMERICAN ATLANTIC FINANCIAL												
	2005	0	0	0	2,000	4,000	0	0	0	0	0	0	0	6,000
44428	1	SCORESANDODDS.COM												
	2005	0	0	0	0	0	0	0	0	1,500	2,500	2,000	0	6,000
53291	6	SKIN ZINC												
	2005	0	0	0	0	3,000	3,000	0	0	0	0	0	0	6,000
58356	6	THE TRADERS MAGAZINE												
	2005	0	0	5,875	0	0	0	0	0	0	0	0	0	5,875
53356	1	SMALL BIZ AMERICA												
	2005	0	0	0	0	0	0	0	0	1,950	1,950	1,950	0	5,850
58801	6	UNITED TRADE NETWORK												
	2005	0	0	0	0	0	0	0	1,200	0	4,500	0	0	5,700
19414	6	CLEAR ASSET MANAGEMENT, LLC												
	2005	0	0	0	0	0	0	0	0	5,000	0	0	0	5,000
26041	4	SWISS AMERICA												
	2005	0	0	0	0	0	0	0	0	0	0	0	4,000	4,000
53401	8	SMART PRACTICE												
	2005	0	0	0	0	0	0	1,154	923	923	357	286	286	3,929
12896	8	BENEDENT CORP. TRIPLE PET												
	2005	0	0	0	375	375	375	375	375	375	375	375	375	3,375

## 5-YEAR HISTORY REPORT

BusinessTalkradio.Net, Inc.

Ray Sabolboro

10/3/06

cash

Case 1:08-cv-06228-RPP

Document 15-9

Filed 08/06/2008

Page 23 of 33

Page 3

From Account To Descending order by total amount

Ac = Account Exec.

Acct	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
49042	1 MR.SWING.COM	2005	0	0	0	0	0	0	0	2,250	750	0	0	3,000
53504	8 8 IN1 - NATURES' MIRACLE	2005	0	2,000	1,000	0	0	0	0	0	0	0	0	3,000
35748	6 DOUG BURNETT-INTERVIEW	2005	0	2,600	0	0	0	0	0	0	0	0	0	2,600
10446	6 KEVIS	2005	0	0	0	0	0	0	0	0	0	2,400	0	2,400
23411	1 DON'T TALK W/ YOUR MOUTH FULL	2005	1,000	1,000	0	0	0	0	0	0	0	0	0	2,000
24943	6 ELDERSTORE	2005	0	0	0	0	600	600	750	0	0	0	0	1,950
28979	6 GOOD LIFE MEDICAL SYSTEMS	2005	0	0	0	0	900	900	0	0	0	0	0	1,800
10002	6 1-800-LISTING	2005	0	0	0	0	0	0	1,100	0	0	0	0	1,100
58341	1 THOMAS NELSON PUBLISHERS	2005	0	0	0	0	0	0	0	0	0	875	0	875
55444	1 REDWEEK.COM	2005	0	480	160	0	0	0	0	0	0	0	0	640
25900	1 EZPGM.COM	2005	0	0	250	0	0	0	0	0	0	0	0	250

## Grand Totals

	2005
Jan	176,258
Feb	176,950
Mar	203,964
Apr	173,578
May	203,894
Jun	150,050
Jul	117,983
Aug	168,718
Sep	163,675
Oct	225,661
Nov	179,719
Dec	152,631
=====	
Total	2,093,081

The totals on the 5-year report may not accurately reflect past activity.  
Deleting accounts with no activity modifies the total amounts in the 5-year  
history data. These totals are not intended for any type of auditing purpose.

## Acct Exec.SalesP Table:

2=HOUSE 8=Cheryl Witek 18=Liz 32=Jim O'Neal 62=COLLECTIONS 255=Abandoned  
 4=Mark Yusko 12=GIA KUCIC 21=Patrick O'Connor 60=MISC. INCOME 63=BAD DEBTS  
 6=Chris Nevin 16=S. CASTELLANO 23=M.A. DeFelice 61=OVERPAYS 64=Trade

Acct	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
54658	32 MINCHIN BUICK - GMC TRUCK, INC 2005	3,000	2,400	2,400	2,400	3,000	2,400	3,000	2,400	2,400	3,000	2,340	2,430	31,170
16301	4 BMW OF GREENWICH 2005	1,791	2,595	168	2,607	4,423	2,745	2,042	1,486	3,114	5,133	4,048	448	30,600
41241	2 GREENWICH HOSPITAL 2005	2,200	2,200	2,200	2,200	2,750	550	0	0	1,650	4,300	1,550	1,350	20,950
69345	2 RJL FINANCIAL NETWORK LLC 2005	4,000	4,000	4,000	4,000	4,000	0	0	0	0	0	0	0	20,000
81785	4 TOYOTA OF GREENWICH 2005	0	0	0	960	1,620	1,380	1,620	1,380	2,835	3,758	2,100	188	15,841
38816	18 GR. INDEPENDENT INSURANCE BROK 2005	1,312	1,077	1,077	1,360	2,121	1,460	1,464	1,138	1,913	1,162	815	590	15,489
50702	18 LEXUS OF GREENWICH (NEW) 2005	0	2,250	1,500	1,500	1,500	1,500	1,500	0	0	1,500	385	1,054	12,689
67048	4 RING'S END LUMBER 2005	0	0	0	720	1,121	920	1,081	920	2,131	3,188	2,301	45	12,427
34301	2 FIRST CONGREG CHURCH 2005	1,150	920	920	920	1,150	920	1,150	920	920	1,150	920	920	11,960
61708	32 PEOPLE'S BANK 2005	0	0	0	0	2,640	1,980	1,320	1,320	1,320	1,320	660	1,320	11,880
19468	4 CADILLAC OF GREENWICH 2005	0	0	0	0	0	0	200	2,000	2,200	3,000	1,800	1,440	10,640
7901	2 THE GARY GOLDBERG SHOW 2005	923	769	731	731	962	462	923	769	731	962	731	769	9,463
34284	2 1ST CHURH OF CHRIST-STAMFORD 2005	875	700	700	700	875	700	875	700	350	350	1,575	700	9,100
34251	2 FIRST CHURCH OF CHRIST SCIENCE 2005	616	660	660	660	825	660	825	660	660	825	660	660	8,371
26438	4 KARL CHEVROLET/AUTOMOTIVE 2005	722	824	54	680	1,080	920	1,080	920	1,040	280	0	0	7,600
53190	4 MCDERMOTT PAINT & WALLPAPER 2005	1,000	1,480	0	0	0	0	0	0	666	2,182	1,756	0	7,084
52368	2 MARCUS CONSULTING 2005	875	175	0	1,750	0	0	525	700	700	700	700	700	6,825
69884	2 SECOND CONG. CHURCH 2005	625	500	500	500	625	500	625	500	500	625	500	500	6,500
37233	18 GENERATIONS 2005	0	0	0	0	0	0	0	0	513	3,647	2,296	25	6,481
63351	4 PORRICELLI'S FOOD MART 2005	0	0	0	0	330	1,295	1,375	580	785	100	1,251	760	6,476
26235	18 COS COB TV & VIDEO 2005	0	640	320	0	270	330	1,100	0	0	1,200	760	1,610	6,230
68340	4 SHORE & COUNTRY PROPERTIES 2005	0	0	0	0	0	510	0	0	1,050	2,625	2,030	10	6,225
69201	18 SAM BRIDGE NURSERY 2005	0	0	0	0	675	725	850	650	500	1,750	1,000	50	6,200
42657	18 GRIFFIN FORD 2005	0	0	1,500	1,500	0	1,500	0	1,500	0	0	0	0	6,000

## 5-YEAR HISTORY REPORT

WGCH RADIO

From Account Total

Case 1:08-cv-06228-RPP Document 15-9 Filed 08/06/2008 Page 25 of 33

Account	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
79164	2	GOOD STUFF W/ COLLEEN & TAYLOR												
	2005	0	0	0	0	0	800	1,000	800	800	1,000	800	800	6,000
52185	13	MANFREDI JEWELERS												
	2005	600	0	0	0	0	0	0	0	1,500	0	0	3,200	5,300
15954	4	BETTERIDGE JEWELERS												
	2005	0	0	0	0	0	3,200	0	0	0	0	0	2,000	5,200
86874	18	WESTCHESTER BMW												
	2005	0	0	660	1,000	1,240	800	1,220	60	0	0	0	0	4,980
46630	2	IRA KLEINMAN PRODUCTIONS												
	2005	0	100	400	400	500	400	450	400	300	500	200	300	3,950
11540	4	AITORO												
	2005	0	0	0	0	0	0	0	0	495	1,030	1,200	1,120	3,845
52468	2	MARION JOYCE												
	2005	300	300	450	300	450	0	450	300	150	450	300	300	3,750
17980	4	BRUCE PARK SPORTS												
	2005	0	0	0	227	460	307	360	307	647	843	450	0	3,601
39474	18	AMSTON MORTGAGE												
	2005	0	0	0	0	0	0	0	0	0	0	1,620	1,980	3,600
60097	4	PACKAGES PLUS AND MORE												
	2005	500	700	0	233	616	35	0	0	300	750	450	0	3,584
65370	2	RADIO ADVERTISING, INC.												
	2005	0	0	0	0	0	1,040	380	280	780	360	220	300	3,360
64611	2	PSI MARKETING CONSULTANTS INC												
	2005	100	0	0	0	0	1,220	380	500	700	160	0	0	3,060
46760	18	J. SUNRAY & SONS JEWELERS												
	2005	0	0	0	0	0	0	0	0	0	325	1,250	1,375	2,950
10400	4	KARL CHEVROLET & HUMMER												
	2005	0	0	0	0	0	0	0	0	600	1,500	600	0	2,700
88444	4	RICK LOH of												
	2005	500	800	0	283	716	400	0	0	0	0	0	0	2,699
47560	2	JOHN GRECO THE WAKE UP CALL												
	2005	0	0	0	0	0	0	500	400	400	500	400	400	2,600
28134	4	GARDEN CATERING												
	2005	0	0	0	0	0	0	0	0	500	1,250	800	0	2,550
31157	18	EDWARD MORTIMER (SOTHEBY'S)												
	2005	0	0	216	351	367	33	133	0	318	645	436	0	2,499
63255	18	POMODORO'S PIZZERIA & TRATTORI												
	2005	0	0	0	0	0	0	0	0	600	600	398	862	2,460
19200	18	BYRAM PHARMACY												
	2005	200	200	0	0	500	500	750	250	0	0	0	0	2,400
77323	18	TALLOWS END GIFT SHOPS INC.												
	2005	0	0	0	0	0	0	0	0	0	600	900	900	2,400
47255	2	JIM LASH & PETER CRUMBINE [R]												
	2005	0	0	0	0	0	0	0	0	0	0	2,325	0	2,325
30701	32	STICKLEY, AUDI & CO.												
	2005	0	0	0	0	0	900	0	0	0	1,150	250	0	2,300
66034	2	REAL ESTATE GUYS												
	2005	0	0	0	0	0	0	0	0	0	875	700	700	2,275
10226	18	GREENWICH FIRE DEPARTMENT												
	2005	0	0	0	226	360	306	360	306	346	93	0	250	2,247
61145	4	PATRIOT NATIONAL BANK												
	2005	0	0	0	0	0	0	0	680	1,040	430	0	0	2,150

cash

Page 2

## 5-YEAR HISTORY REPORT

WGCH RADIO

From Account Totals

Case 1:08-cv-06228-RPP

Document 15-9

Filed 08/06/2008

Page 26 of 33

cash

Page 3

Descending order by total amount Ac = Acct Exec. SalesP

ACCT#	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
10415	4 ALBE FURS	2005	0	0	0	0	0	0	0	0	0	1,000	1,120	2,120
60782	4 PARTRIDGE & ROCKWELL	2005	0	0	120	700	300	0	0	200	500	300	0	2,120
25972	4 DOROTHY HAMIL SKATING RINK	2005	0	0	0	0	0	0	0	0	1,040	40	960	2,040
34491	2 FIRST UNITED METHODIST CHURCH	2005	0	0	0	0	0	0	400	400	500	300	400	2,000
14373	18 BACK & NECK PAIN CENTER	2005	0	0	0	0	0	0	0	0	0	320	1,530	1,850
21493	2 CHARLES GLAZER	2005	500	1,250	0	0	0	0	0	0	0	0	0	1,750
55749	2 MULTIMEDIA SALES & MARKETING	2005	160	200	40	40	360	80	80	120	80	200	120	1,720
12079	64 ALTAR BOYS	2005	0	0	0	1,584	0	0	0	0	0	0	0	1,584
30111	4 DR. DIVOT/ LARRY FOSTER, MD	2005	0	0	0	0	200	400	500	400	70	0	0	1,570
83684	4 UNITED WAY OF GREENWICH	2005	300	0	0	0	0	0	0	0	100	610	550	1,560
37663	64 GLASS MENAGERIE	2005	0	0	0	1,520	0	0	0	0	0	0	0	1,520
71925	18 SMITH BARNEY CITIGROUP	2005	0	0	0	0	0	0	0	0	0	0	1,500	1,500
88450	4 WILLIAM S. DUNSTER LANDSCAPE	2005	0	0	0	75	150	225	0	0	200	500	300	1,450
10350	18 GREENWICH BLUEPRINT	2005	0	0	0	840	0	432	168	0	0	0	0	1,440
46784	18 J J CASSONE BAKERY	2005	130	104	104	104	130	104	130	104	130	104	104	1,352
29225	4 WASTE DISPOSAL	2005	0	0	0	0	1,350	0	0	0	0	0	0	1,350
42307	4 GREENWICH TILE & MARBLE	2005	0	0	0	100	915	185	0	0	0	0	0	1,200
65225	18 R. A. CALDWELL	2005	0	0	0	0	0	0	0	0	0	0	1,200	1,200
13565	23 DONNIE'S DELI	2005	0	520	0	0	0	0	0	165	245	255	0	1,185
34964	18 FLOWERS BY JUN	2005	0	0	0	0	0	0	0	0	0	0	1,170	1,170
74794	4 STAMFORD TWIN RINKS	2005	900	180	0	0	0	0	0	0	0	0	0	1,080
30023	4 DOROTHY HAMIL ICE RINK	2005	1,050	15	0	0	0	0	0	0	0	0	0	1,065
52433	4 MARIANACCI'S	2005	0	0	0	0	0	0	0	212	420	296	88	1,016
10330	2 DISNEY ON ICE TOY STORY 2	2005	0	1,000	0	0	0	0	0	0	0	0	0	1,000
10374	12 C.A.R.S.	2005	0	0	0	0	0	0	0	0	500	500	0	1,000
46615	4 IPI SKYSCRAPER MORTGAGE	2005	0	0	0	0	0	0	0	200	500	300	0	1,000

## 5-YEAR HISTORY REPORT

WGCH RADIO

From Account To

Case 1:08-cv-06228-RPP

Document 15-9

Filed 08/06/2008

Page 27 of 33

cash

Page 4

Ac = Acct Exec. SalesP

Acct	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
51115	23 LORD AND TAYLOR													
	2005	0	0	0	0	0	0	0	0	1,000	0	0	0	1,000
38519	11 GR. ACUPUNCTURE CENTER													
	2005	465	520	0	0	0	0	0	0	0	0	0	0	985
20119	6 CARLO & COMPANY													
	2005	0	0	0	0	0	0	0	0	160	800	0	0	960
75117	18 STONEWATER SPA													
	2005	0	0	0	0	0	0	0	0	0	0	0	960	960
10011	54 NIGHT MOTHER													
	2005	900	0	0	0	0	0	0	0	0	0	0	0	900
17011	18 BOY SCOUTS OF AMERICA													
	2005	0	0	0	0	0	0	0	0	450	450	0	0	900
19411	13 CAFE BRIA													
	2005	0	0	0	0	0	0	0	0	0	0	444	444	888
55601	2 NAC MARKETING CO.													
	2005	0	350	525	0	0	0	0	0	0	0	0	0	875
33030	18 EXECTIVE CORNER DELI/ CATERING													
	2005	0	0	0	0	0	0	0	0	0	0	600	262	862
71611	18 SIR GROUT													
	2005	0	0	0	0	0	0	0	0	0	0	100	750	850
86501	4 WEILL MEDICAL COLLEGE/CORNELL													
	2005	0	840	0	0	0	0	0	0	0	0	0	0	840
27531	2 CT. GRAND OPERA & ORCHESTRA													
	2005	0	0	0	0	800	0	0	0	0	0	0	0	800
59821	4 OSCAR THOMPSON PLUMBING & HEAT													
	2005	0	0	0	0	0	0	0	0	160	400	240	0	800
65321	18 RADIANCE MEDSPA OF GREENWICH													
	2005	0	0	0	0	0	0	0	0	785	0	0	0	785
19211	4 BYRAM VOLUNTEER FIRE DEP'T													
	2005	0	360	140	250	0	0	0	0	0	0	0	0	750
31911	21 ENDLESS PASTABILITIES													
	2005	125	125	125	125	125	125	0	0	0	0	0	0	750
41911	2 GREENWICH ROTARY													
	2005	0	0	0	0	750	0	0	0	0	0	0	0	750
73311	18 SPCA OF CONECTICUT													
	2005	0	0	0	0	0	0	0	0	0	0	375	375	750
75721	4 SULLIVAN AND LESHANE P.R., INC													
	2005	0	0	0	0	715	0	0	0	0	0	0	0	715
39951	2 GREENWICH CHAMBER OF COMMERCE													
	2005	0	0	0	0	0	0	0	0	0	550	0	100	650
25201	18 CONNECTICUT LIGHT & POWER CO.													
	2005	0	0	0	0	0	0	0	0	0	0	0	600	600
34211	21 FIORITO PLUMBING HEATING & AIR													
	2005	0	0	0	0	600	0	0	0	0	0	0	0	600
59861	18 OUT OF THE BOX													
	2005	0	0	0	0	0	0	0	0	0	0	0	600	600
76571	18 SVENSKA BEDS													
	2005	0	0	0	0	0	0	0	0	600	0	0	0	600
13781	2 ATA HIGHWAY WATCH													
	2005	0	0	0	0	0	0	0	0	0	0	0	560	560
72441	18 SOFIA'S HAIR SALON & DAY SPA													
	2005	0	0	0	0	200	0	200	0	100	0	0	0	500



Account	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
8695	23 WESTCHESTER MODEL RAO ROAD	2005	0	0	0	0	0	0	0	0	0	500	0	500
30580	23 DUXIANA	2005	0	0	0	0	0	490	0	0	0	0	0	490
46488	21 INTERNATIONAL FRIENDSHIP INC.	2005	450	0	0	0	0	0	0	0	0	0	0	450
46341	2 FRIENDS OF MARTIN ROGOWSKY	2005	0	0	0	0	0	0	0	0	0	440	0	440
61649	18 PELLICCI'S RESTAURANT	2005	0	0	0	0	0	0	0	0	410	0	0	410
13485	6 ARCURI'S DELI & PIZZA	2005	0	0	0	0	0	0	0	0	0	0	400	400
44184	6 HISTOTICAL SOCIETY OF GREENWIC	2005	0	0	0	0	0	0	0	0	0	0	375	375
12082	18 ALLURA	2005	0	0	0	0	0	0	0	0	0	0	320	320
36981	2 GATEWAY CLASSICAL MUSICAL SOCI	2005	0	0	0	0	320	0	0	0	0	0	0	320
39781	18 GREENWICH BICYCLE	2005	0	0	0	300	0	0	0	0	0	0	0	300
58085	2 NUTRALAB	2005	0	0	0	0	0	0	0	0	0	150	150	300
75871	23 SUGER FREE EXPRESS	2005	0	0	0	240	60	0	0	0	0	0	0	300
38158	30 GORDONS GATEWAY TO SPORTS	2005	0	0	0	50	100	100	0	0	0	0	0	250
49971	2 LAX.COM	2005	0	0	0	50	100	100	0	0	0	0	0	250
29682	8 DICK PILLAR ENTERPRISES	2005	0	0	0	0	0	0	100	0	0	0	0	100
54601	4 MMM PRODUCTIONS	2005	0	0	0	0	0	0	35	0	0	0	0	35
68101	11 ROZMUS PLUMBING/HEATING	2005	30	0	0	0	0	0	0	0	0	0	0	30
10323	18 MINUTEMAN PRESS	2005	20	0	0	0	0	0	0	0	0	0	0	20
84101	21 VAL'S DISCOUNT OUTLET	2005	16	0	0	0	0	0	0	0	0	0	0	16

Grand Totals

	2005
Jan	26,335
Feb	28,754
Mar	19,390
Apr	31,606
May	42,751
Jun	33,449
Jul	29,241
Aug	23,850
Sep	40,340
Oct	63,063
Nov	50,771
Dec	44,814
	=====
Total	434,364

The totals on the 5-year report may not accurately reflect past activity.  
 Deleting accounts with no activity modifies the total amounts in the 5-year  
 history data. These totals are not intended for any type of auditing purpose.

## Acct Exec.SalesP Table:

2=HOUSE 8=Cheryl Witek 18=Liz 32=Jim O'Neal 62=COLLECTIONS 255=Abandoned  
 4=Mark Yusko 12=GIA KUCIC 21=Patrick O'Connor 60=MISC. INCOME 63=BAD DEBTS  
 6=Chris Nevin 16=S. CASTELLANO 23=M.A. DeFelice 61=OVERPAYS 64=Trade

Acct	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
54683	32 MINCHIN BUICK - GMC TRUCK, INC 2006	3,030	2,400	2,400	3,000	2,400	2,400	3,000	2,400	0	0	0	0	21,030
69906	2 RJL FINANCIAL NETWORK LLC 2006	4,000	4,000	4,000	5,000	3,000	0	0	0	0	0	0	0	20,000
71908	18 SMITH BARNEY CITIGROUP 2006	1,500	2,000	2,000	2,200	2,000	2,000	2,350	2,300	0	0	0	0	16,350
16301	4 BMW OF GREENWICH 2006	2,837	1,375	0	0	1,272	2,172	1,832	1,752	0	0	0	0	11,240
12082	18 ALLURA 2006	2,000	1,600	2,000	2,000	1,600	1,600	0	0	0	0	0	0	10,800
41241	2 GREENWICH HOSPITAL 2006	1,800	1,800	1,800	2,250	1,800	450	0	0	0	0	0	0	9,900
50700	18 LEXUS OF GREENWICH (NEW) 2006	0	1,500	1,500	3,000	1,500	0	1,338	162	0	0	0	0	9,000
11540	4 AITORO 2006	880	630	1,240	1,310	1,000	1,000	1,000	1,000	0	0	0	0	8,060
34380	2 FIRST CONGREG CHURCH 2006	1,150	920	920	1,150	920	920	1,150	920	0	0	0	0	8,050
15958	4 BETTERIDGE JEWELERS 2006	0	2,900	0	250	3,750	1,000	0	0	0	0	0	0	7,900
36826	18 GR. INDEPENDENT INSURANCE BROK 2006	934	827	926	785	1,180	1,010	550	860	0	0	0	0	7,072
10228	18 GREENWICH FIRE DEPARTMENT 2006	1,250	1,000	1,000	1,250	1,000	1,000	500	0	0	0	0	0	7,000
69200	18 SAM BRIDGE NURSERY 2006	0	0	0	2,500	2,000	2,000	500	0	0	0	0	0	7,000
81790	4 TOYOTA OF GREENWICH 2006	0	0	0	1,300	1,300	1,300	1,300	1,300	0	0	0	0	6,500
11330	18 ADF CO/TAKE HOME THE BREAD 2006	0	1,050	2,100	2,625	525	0	0	0	0	0	0	0	6,300
34294	2 1ST CHURH OF CHRIST-STAMFORD 2006	875	700	700	875	700	700	875	700	0	0	0	0	6,125
66030	2 REAL ESTATE GUYS 2006	875	700	700	875	700	700	875	700	0	0	0	0	6,125
10550	18 A FASHIONABLE LIFE 2006	600	600	600	750	600	600	1,250	1,100	0	0	0	0	6,100
79010	2 THE GARY GOLDBERG SHOW 2006	885	731	769	962	769	731	198	846	0	0	0	0	5,891
34251	2 FIRST CHURCH OF CHRIST SCIENCE 2006	825	660	660	825	660	660	825	660	0	0	0	0	5,775
69884	2 SECOND CONG. CHURCH 2006	625	500	500	625	500	500	625	500	0	0	0	0	4,375
59096	18 OCEAN 211 2006	0	0	400	800	600	600	800	600	0	0	0	0	3,800
10406	4 KARL CHEVROLET & HUMMER 2006	0	0	0	750	750	750	750	750	0	0	0	0	3,750
61778	32 PEOPLE'S BANK 2006	0	0	0	0	2,160	1,440	120	0	0	0	0	0	3,720

[illegible]

Account	Ac	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
20870	18 CATHERINE JEWELERS	2006	400	1,200	0	0	0	0	0	0	0	0	0	1,600
59542	2 SCHLESINGER US SENATE COMMITTEE	2006	0	0	0	0	0	1,506	0	0	0	0	0	1,506
37403	2 GHS LACROSSE	2006	0	0	0	0	0	1,500	0	0	0	0	0	1,500
75041	18 STATE FARM	2006	0	0	1,125	375	0	0	0	0	0	0	0	1,500
26235	18 COS COB TV & VIDEO	2006	0	440	0	0	0	1,000	0	0	0	0	0	1,440
74627	18 STAMFORD THERAPEUTICS CONSORT	2006	0	0	0	0	0	475	950	0	0	0	0	1,425
71612	18 SIR GROUT	2006	1,150	250	0	0	0	0	0	0	0	0	0	1,400
53122	4 MCDERMOTT PAINT & WALLPAPER	2006	0	0	0	260	260	260	260	260	0	0	0	1,300
65377	2 RADIO ADVERTISING, INC.	2006	80	220	140	260	200	120	60	140	0	0	0	1,220
13562	23 DONNIE'S DELI	2006	800	0	0	0	0	400	0	0	0	0	0	1,200
41654	18 GREENWICH MUSIC	2006	0	0	0	1,000	0	0	0	0	0	0	0	1,000
88450	4 WILLIAM S. DUNSTER LANDSCAPE	2006	0	0	0	630	370	0	0	0	0	0	0	1,000
83684	4 UNITED WAY OF GREENWICH	2006	950	0	0	0	0	0	0	0	0	0	0	950
54074	2 METROPOLITAN PGA	2006	0	0	0	125	250	0	313	250	0	0	0	938
46782	18 J J CASSONE BAKERY	2006	130	104	104	130	104	104	130	104	0	0	0	910
42307	4 GREENWICH TILE & MARBLE	2006	0	0	0	500	375	0	0	0	0	0	0	875
68961	18 SALVATION ARMY/SOUTHERN NE	2006	0	0	0	0	0	0	750	0	0	0	0	750
61143	4 PATRIOT NATIONAL BANK	2006	0	0	0	0	0	0	667	0	0	0	0	667
25175	18 CONNECTICUT EDUCATION ASSOC.	2006	0	0	640	0	0	0	0	0	0	0	0	640
75387	13 STONEWATER SPA	2006	640	0	0	0	0	0	0	0	0	0	0	640
25204	18 CONNECTICUT LIGHT & POWER CO.	2006	600	0	0	0	0	0	0	0	0	0	0	600
52433	4 MARIANACCI'S	2006	0	0	0	0	0	600	0	0	0	0	0	600
30921	18 EAST COAST PIANOS	2006	0	509	0	0	0	0	0	0	0	0	0	509
55745	2 MULTIMEDIA SALES & MARKETING	2006	120	0	0	0	0	200	80	0	0	0	0	400
56485	2 NEW CANAAN FARMERS MARKET	2006	0	0	0	0	0	300	100	0	0	0	0	400
61090	18 PASTA VERA	2006	0	0	0	0	400	0	0	0	0	0	0	400

[illegible]

## Grand Totals

	2006
Jan	36,528
Feb	35,975
Mar	31,654
Apr	45,748
May	47,233
Jun	35,620
Jul	35,038
Aug	27,001
Sep	0
Oct	0
Nov	0
Dec	0
=====	
Total	294,797

The totals on the 5-year report may not accurately reflect past activity.  
Deleting accounts with no activity modifies the total amounts in the 5-year  
history data. These totals are not intended for any type of auditing purpose.

## **EXHIBIT J**

**BUSINESSTALKRADIO.NET, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2006 AND 2005**

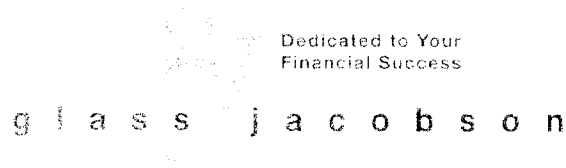


**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**

**TABLE OF CONTENTS**  
**DECEMBER 31, 2006 AND 2005**

---

<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Consolidated balance sheets	2 - 3
Consolidated statements of operations	4
Consolidated statements of changes in stockholders' equity (deficit)	5
Consolidated statements of cash flows	6 - 7
Notes to the consolidated financial statements	8 - 19
<b>ADDITIONAL INFORMATION</b>	
Independent auditor's report on additional information	20
Consolidated schedules of general and administrative expenses	21
 <b><u>DECEMBER 31, 2006</u></b>	
Consolidating balance sheet	22
Consolidating statement of operations	23
Consolidating statement of changes in stockholders' equity	24
Consolidating schedule of general and administrative expenses	25
 <b><u>DECEMBER 31, 2005</u></b>	
Consolidating balance sheet	26
Consolidating statement of operations	27
Consolidating statement of changes in stockholders' equity (deficit)	28
Consolidating schedule of general and administrative expenses	29



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of  
BusinessTalkradio.net, Inc. and Subsidiaries  
Stamford, Connecticut

We have audited the accompanying consolidated balance sheets of BusinessTalkradio.net, Inc. and Subsidiaries as of December 31, 2006 and 2005 and the related consolidated statements of operations, changes in stockholders' equity (deficit), and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BusinessTalkradio.net, Inc. and Subsidiaries as of December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script, appearing to read 'John Jacobson', is written in dark ink.

Owings Mills, Maryland  
April 20, 2007

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 202,182	\$ 69,332
Accounts receivable - net of allowance for doubtful accounts of \$35,700 and \$35,948 in 2006 and 2005	<u>522,164</u>	<u>409,542</u>
Total current assets	<u>724,346</u>	<u>478,874</u>
<b>PROPERTY AND EQUIPMENT - NET</b>	<u>3,107,059</u>	<u>265,261</u>
<b>OTHER ASSETS</b>		
Note receivable - stockholder	250,000	-
Construction in progress	393,078	-
Deposits	339,687	18,005
Deferred income taxes	593,932	618,604
Goodwill	2,133,000	574,000
Intangibles - net	<u>920,106</u>	<u>126,000</u>
Total other assets	<u>4,629,803</u>	<u>1,336,609</u>
<b>TOTAL ASSETS</b>	<u>\$ 8,461,208</u>	<u>\$ 2,080,744</u>

The accompanying notes are an integral part of these financial statements.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Note payable - other	\$ 344,000	\$ -
Accounts payable	176,256	58,207
Accrued expenses	462,190	203,023
Unearned revenue	108,583	-
Note payable - stockholder	<u>-</u>	<u>50,000</u>
Total current liabilities	<u>1,091,029</u>	<u>311,230</u>
<b>LONG-TERM LIABILITIES</b>		
Note payable - other	5,156,000	500,000
Deposits	<u>56,960</u>	<u>47,160</u>
Total long-term liabilities	<u>5,212,960</u>	<u>547,160</u>
Total liabilities	6,303,989	858,390
<b>STOCKHOLDERS' EQUITY</b>	<u>2,157,219</u>	<u>1,222,354</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 8,461,208</u>	<u>\$ 2,080,744</u>

The accompanying notes are an integral part of these financial statements.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS****FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**


---

	<u>2006</u>	<u>2005</u>
NET SALES	\$ 3,778,493	\$ 3,705,588
GENERAL AND ADMINISTRATIVE EXPENSES	<u>5,027,472</u>	<u>4,641,823</u>
(LOSS) FROM OPERATIONS	<u>(1,248,979)</u>	<u>(936,235)</u>
OTHER INCOME (EXPENSES)		
Interest income	7,545	4,486
Trade income	186,977	309,254
Trade expenses	(154,093)	(335,157)
Radio station closing expenses	<u>-</u>	<u>(169,271)</u>
Total other income (expenses)	<u>40,429</u>	<u>(190,688)</u>
(LOSS) BEFORE PROVISION FOR (BENEFIT FROM) DEFERRED INCOME TAXES	(1,208,550)	(1,126,923)
PROVISION FOR (BENEFIT FROM) DEFERRED INCOME TAXES	<u>24,672</u>	<u>(232,126)</u>
NET (LOSS)	<u>\$ (1,233,222)</u>	<u>\$ (894,797)</u>

---

The accompanying notes are an integral part of these financial statements.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
BALANCE - DECEMBER 31, 2004	\$ 40,588	\$ 925,614	\$ (1,226,431)	\$ (260,229)
NET (LOSS)	-	-	(894,797)	(894,797)
ISSUANCE OF STOCK	<u>9,178</u>	<u>2,368,202</u>	<u>-</u>	<u>2,377,380</u>
BALANCE - DECEMBER 31, 2005	49,766	3,293,816	(2,121,228)	1,222,354
NET (LOSS)	-	-	(1,233,222)	(1,233,222)
ISSUANCE OF STOCK	<u>7,476</u>	<u>2,160,611</u>	<u>-</u>	<u>2,168,087</u>
BALANCE - DECEMBER 31, 2006	<u>\$ 57,242</u>	<u>\$ 5,454,427</u>	<u>\$ (3,354,450)</u>	<u>\$ 2,157,219</u>

The accompanying notes are an integral part of these financial statements.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH</b>		
<b>INVESTING AND FINANCING TRANSACTIONS</b>		
Equipment acquired by issuing note payable	\$ (2,700,000)	\$ -
Intangibles acquired by issuing note payable	(812,012)	-
Goodwill acquired by issuing note payable	(1,433,000)	-
Prior note payable refinanced	(500,000)	-
New note payable	<u>5,500,000</u>	<u>-</u>
 <b>PRINCIPAL BORROWINGS ON NOTE PAYABLE</b>	 <u>\$ 54,988</u>	 <u>\$ -</u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for:		
Interest	<u>\$ 82,868</u>	<u>\$ 30,000</u>

The accompanying notes are an integral part of these financial statements.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss)	\$ (1,233,222)	\$ (894,797)
Adjustments to reconcile net (loss) to net cash (used) by operating activities:		
Depreciation and amortization	224,323	96,811
Deferred income taxes	24,672	(232,126)
(Increase) decrease in assets:		
Accounts receivable	(112,622)	(34,289)
Deposits	(321,682)	(7,965)
Other current assets	-	768
Increase (decrease) in liabilities:		
Accounts payable	118,049	10,869
Accrued expenses	230,386	(116,920)
Unearned revenue	108,583	-
Deposits	9,800	2,860
<b>NET CASH (USED) BY OPERATING ACTIVITIES</b>	<u>(951,713)</u>	<u>(1,174,789)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash payments for the purchase of equipment	(340,243)	(30,041)
Cash payments for the construction in progress	(377,469)	-
Cash payments for intangibles	(120,800)	-
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<u>(838,512)</u>	<u>(30,041)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal borrowings on note payable	54,988	-
Issuance of capital stock	1,868,087	1,200,258
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>1,923,075</u>	<u>1,200,258</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	132,850	(4,572)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>69,332</u>	<u>73,904</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 202,182</u>	<u>\$ 69,332</u>

The accompanying notes are an integral part of these financial statements.



**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of business**

BusinessTalkradio.net, Inc. ("BTR") incorporated in Pennsylvania in 1999, reincorporated in Delaware as BusinessTalkradio.com, Inc. and then merged with BusinessTalkradio.net, Inc. in April 2003. The Company and its subsidiaries, The Greenwich Broadcasting Corporation and BTR Greenwich, Inc. ("GBC"), The Lifestyle Talk Radio Network, Inc. ("Lifestyle"), BTR West, Inc. and BTR West II, Inc. ("West"), BTR Communications Boston, Inc. and BTR Communications Boston II, Inc. ("Boston") are primarily engaged in radio programming in Connecticut, New York, Nevada, and Massachusetts.

**Method of accounting**

The consolidated financial statements are prepared on the accrual basis of accounting.

**Principles of consolidation**

The consolidated balance sheets includes the accounts of BusinessTalkradio.net, Inc. and its wholly owned subsidiaries, The Greenwich Broadcasting Corporation, BTR Greenwich, Inc., BTR West, Inc., BTR West II, Inc., BTR Communications Boston, Inc., and BTR Communications Boston II, Inc. All material intercompany transactions have been eliminated.

**Use of estimates**

Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

**Reclassifications**

Certain amounts in 2005 have been reclassified to conform with the 2006 presentation. Such reclassifications had no effect on previously reported net income.

**Cash and cash equivalents**

The Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

**Accounts receivable**

All customers are subject to credit review, which determines future credit policies. In the ordinary course of business the Company provides credit to customers under standard terms without collateral. A receivable is considered past due if payments have not been received within the agreed upon invoice terms. The Company's policy is to generally not charge interest on trade receivables after the invoice becomes past due. Uncollectible accounts are written off based upon management's periodic analysis of past due accounts based on contract terms.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts receivable (continued)**

The Company utilizes the allowance method of accounting for doubtful accounts. This provision for estimated losses on accounts receivable is based on prior bad debt experience and a review of existing customer receivables.

**Depreciation**

Property and equipment are stated at historical cost, less accumulated depreciation. Depreciation is computed over the estimated useful lives of the depreciable assets using the straight-line method. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in the results of operations. Repairs and maintenance charges which do not increase the useful lives of the assets are charged to expense as incurred.

**Amortization**

Goodwill represents the excess of cost over fair value of net assets acquired through the purchase of the subsidiaries' stock. The Company evaluates the goodwill on an annual basis for potential impairment. Goodwill recorded by the Company has not been amortized and will be evaluated on an annual basis, or sooner if deemed necessary.

The licenses are not subject to amortization, since the Company anticipates their renewal and expects future cash flows from the licenses beyond their expiration.

The loan fees subject to amortization are stated at historical cost, less accumulated amortization. Amortization of loan fees is computed over the three-year life of the loan using the straight-line method.

**Income taxes**

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes relate primarily to net operating loss carryforwards and differences between the basis of reporting accumulated depreciation and amortization for financial reporting and income tax purposes. The deferred tax assets and liabilities represent the future tax return consequences of these differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

**NOTE 2 - CASH**

At times during the year, the Company maintains cash balances at financial institutions which exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. Management believes the risk in these situations to be minimal.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

**NOTE 3 - PROPERTY AND EQUIPMENT - NET**

Property and equipment consists of the following at December 31,

	2006	2005
Equipment	\$ 3,876,680	\$ 837,293
Furniture and fixtures	87,060	86,204
Leasehold improvements	15,869	15,869
	3,979,609	939,366
Less accumulated depreciation	872,550	674,105
Property and equipment - net	\$ 3,107,059	\$ 265,261

Depreciation expense was \$198,445 and \$96,811 for the years ended December 31, 2006 and 2005, respectively.

**NOTE 4 - NOTE RECEIVABLE - STOCKHOLDER**

The Company has a note receivable from FJL Enterprises, Inc., a stockholder of the Company, with a balance of \$250,000 and \$0 at December 31, 2006 and 2005, respectively. Interest at a monthly rate of 1% accrues from April 2006 but will be waived if the principal amount is paid in full on or before April 2011. This note matures on or before the launch date of the Company's initial public offering of BusinessTalkRadio.net, Inc.'s common stock but no later than April 2011. This note is secured by the stockholder's 2,000,000 shares in the Company's common stock.

**NOTE 5 - CONSTRUCTION IN PROGRESS**

Construction in progress consists of construction at BusinessTalkradio.net, Inc.'s new leased facilities in Stamford, Connecticut and construction at the WGCH radio station's new leased facilities in Greenwich, Connecticut. Construction at both locations was completed in February 2007.

Construction in progress consists of the following at December 31,

	2006	2005
Stamford, Connecticut facility	\$ 281,393	\$ -
Greenwich, Connecticut facility	111,685	-
Construction in progress	\$ 393,078	\$ -

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

---

**NOTE 6 - GOODWILL**

Goodwill is evaluated for impairment on an annual basis, or sooner if deemed necessary, and if the carrying amount exceeds the fair value, an impairment loss would be recognized. In connection with the purchase of The Greenwich Broadcasting Corporation's stock in June 2003 and BTR West II, Inc. and BTR Communications Boston II, Inc.'s radio station purchases in November 2006, the Company evaluated the recoverability of the goodwill based on a fair value test, as required under SFAS No. 142. The Company has not reported any impairment losses.

Goodwill consists of the following at December 31,

	2006	2005
The Greenwich Broadcasting Corporation	\$ 574,000	\$ 574,000
BTR West II, Inc.	861,000	-
BTR Communications Boston II, Inc.	698,000	-
Goodwill	\$ 2,133,000	\$ 574,000

**NOTE 7 - INTANGIBLES - NET**

Intangibles, which result from the purchase of the WGCH, WBET, and KNUU radio stations, consist of the following at December 31,

	2006	2005
Licenses	\$ 467,000	\$ 126,000
Loan fees, net of accumulated amortization of \$25,878 in 2006 and \$0 in 2005	453,106	-
Intangibles - net	\$ 920,106	\$ 126,000

Amortization expense was \$25,878 and \$0 for the years ended December 31, 2006 and 2005, respectively.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

**NOTE 8 - NOTE PAYABLE - OTHER**

Note payable consists of the following at December 31,

	<u>2006</u>	<u>2005</u>
Seller of the stock of The Greenwich Broadcasting Corporation – interest is payable quarterly at 8%. The note matures June 2008 and is secured by a pledge of all the shares of BusinessTalkradio.net, Inc. in The Greenwich Broadcasting Corporation. The note was paid in November 2006.	\$ -	\$ 500,000
Financing company - interest is calculated at The Wall Street Journal's Prime Rate (no less than 7%) plus 5.1%. The Company also pays a loan servicing fee of \$2,300 per month. The note matures November 2009. This note is personally guaranteed by four of the stockholders of the Company. In exchange for individually guaranteeing the note, the four stockholders each received options to purchase 500,000 shares of the Company's stock at \$0.30 per share. This note is secured by the personal property of the Company and its subsidiaries, as well as all shares of stock and equity interests.	5,500,000	-
	5,500,000	500,000
Less current portion	344,000	-
Long-term portion	\$ 5,156,000	\$ 500,000

The aggregate principal maturities of long-term debt are as follows:

<u>Year ending December 31,</u>	
2007	\$ 344,000
2008	486,000
2009	4,670,000
	\$ 5,500,000

Interest expense was \$131,065 and \$40,000 for the years ended December 31, 2006 and 2005, respectively.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

---

**NOTE 9 - NOTE PAYABLE - STOCKHOLDER**

The Company was indebted to Len Moscoti, a stockholder of the Company for \$50,000 at December 31, 2005. Interest was calculated at a monthly rate of 1% and was payable monthly. Interest expense was \$1,500 and \$500 for the years ended December 31, 2006 and 2005, respectively. The note matured March 2006. Len Moscoti received 100,000 shares of common stock of BusinessTalkradio.net, Inc. as additional consideration for the note and received 500,000 warrants to purchase shares of common stock at an exercise price of \$0.20 per share. In February 2006, the Company converted the note to 200,000 shares of common stock, and Len Moscoti exercised the warrants for 500,000 shares of common stock.

**NOTE 10 - STOCKHOLDERS' EQUITY**

**BusinessTalkradio.net, Inc.**

BusinessTalkradio.net, Inc. is authorized to issue 70,000,000 shares of common stock, with a par value of \$.001 per share and 5,000,000 shares of preferred stock, with a par value of \$.001 per share, of which 57,242,240 and 49,765,571 shares of common stock were issued and outstanding at December 31, 2006 and 2005, respectively. No shares of preferred stock were issued and outstanding at December 31, 2006 and 2005.

**The Greenwich Broadcasting Corporation**

The Greenwich Broadcasting Corporation is authorized to issue 80,000 shares of common stock, with no par value, of which 80,000 shares of common stock were issued and outstanding at December 31, 2006 and 2005. These shares were eliminated in consolidation.

**BTR West II, Inc.**

BTR West II, Inc. is authorized to issue 100 shares of common stock, with a par value of \$.001 per share, of which 10 and 0 shares were issued and outstanding at December 31, 2006 and 2005, respectively. Common stock was excluded from the consolidating statement of changes in stockholders' equity, since the value of these shares is only \$.01.

**BTR Communications Boston II, Inc.**

BTR Communications Boston II, Inc. is authorized to issue 1,000 shares of common stock, with a par value of \$.001 per share, of which 100 and 0 shares were issued and outstanding at December 31, 2006 and 2005, respectively. Common stock was excluded from the consolidating statement of changes in stockholders' equity, since the value of these shares is only \$.10.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

**NOTE 11 - INCOME TAXES**

Provision for (benefit from) income taxes consisted of the following at December 31,

	2006	2005
Income taxes currently due-		
Federal	\$ -	\$ -
State	-	-
Deferred income taxes	24,672	(232,126)
Provision for (benefit from) income taxes	\$ 24,672	\$ (232,126)

Deferred tax assets consisted of the following:

	2006	2005
Net operating loss carryforwards	\$ 935,631	\$ 645,408
Valuation allowance	(308,726)	-
Depreciation	626,905 (32,973)	645,408 (26,804)
	\$ 593,932	\$ 618,604

The amount of deferred tax asset is disclosed in the consolidated financial statements as follows:

	2006	2005
Deferred tax asset	\$ 902,658	\$ 618,604
Less: valuation allowance	(308,726)	-
Net deferred tax asset	\$ 593,932	\$ 618,604

Valuation allowances related to deferred tax assets increased by \$308,726, and \$0 in 2006 and 2005, respectively. These increases were as a result of determining that it is more likely than not that certain loss carryforwards will not be utilized prior to expiration.

For tax reporting purposes at December 31, 2006, the Company has available unused federal net operating loss carryforwards of approximately \$3,743,000 which expire in 2026.



**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

---

**NOTE 12 - INVESTMENTS IN SUBSIDIARIES**

**The Greenwich Broadcasting Corporation**

On June 18, 2003, BusinessTalkradio.net, Inc. purchased 80,000 shares of the capital stock of The Greenwich Broadcasting Corporation for \$1,100,000. BusinessTalkradio.net, Inc. acquired 100% of the voting equity interests of The Greenwich Broadcasting Corporation, the sole owner and licensee of AM Radio Broadcast Station WGCH, Greenwich, Connecticut.

In November 2006, BTR Greenwich, Inc. was formed with the purpose of holding WGCH's license. The Greenwich Broadcasting Corporation continues to own the assets of WGCH.

The consolidating financial statements classify The Greenwich Broadcasting Corporation and BTR Greenwich, Inc. as "GBC". The consolidated statements of operations include GBC's results of operations for the years ended December 31, 2006 and 2005.

**Liberty Broadcasting**

On February 10, 2005, BusinessTalkradio.net, Inc. purchased the assets of Talk America Radio Networks, Inc. d/b/a Liberty Broadcasting and received \$1,843,816 (\$2,400,000 less transition costs of \$556,184) for 3,333,334 shares of common stock of BusinessTalkradio.net, Inc. The seller also received the call option to purchase all other issued and outstanding shares of the common stock from the shareholders of BusinessTalkradio.net, Inc.

The assets were transferred to The Lifestyle Talk Radio Network, Inc., a wholly owned subsidiary of Business Talkradio.net, Inc.

The consolidated statements of operations include The Lifestyle Talk Radio Network, Inc.'s results of operations for the years ended December 31, 2006 and 2005.

**KNUU-AM Radio Station**

On November 13, 2006, BusinessTalkradio.net, Inc. purchased the KNUU-AM radio station in Las Vegas, Nevada for \$3,900,000. BTR West, Inc. was formed to hold the station's license, and BTR West II, Inc. was formed as the owner of the assets of KNUU.

The consolidating financial statements classify BTR West, Inc. and BTR West II, Inc. as "West". The consolidated statements of operations include West's results of operations from inception (November 13, 2006) through December 31, 2006.



**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

---

**NOTE 12 - INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

**WBET-AM Radio Station**

On November 13, 2006, BusinessTalkradio.net, Inc. purchased the WBET-AM radio station in Brockton, Massachusetts for \$1,000,000. BTR Communications Boston, Inc. was formed to hold the station's license, and BTR Communications Boston II, Inc. was formed as the owner of the assets of WBET.

The consolidating financial statements classify BTR Communications Boston, Inc. and BTR Communications Boston II, Inc. as "Boston". The consolidated statements of operations include Boston's results of operations from inception (November 13, 2006) through December 31, 2006.

**NOTE 13 - ADVERTISING**

Advertising costs, which are principally included in general and administrative expenses, are expensed as incurred. Advertising expense was \$40,054 and \$45,216 for the years ended December 31, 2006 and 2005, respectively.

**NOTE 14 - COMMITMENTS**

**Operating leases**

The Company leases its facilities under various operating leases, with various expiration dates through August 2016. The leases called for monthly rental payments ranging from \$1,390 to \$10,000 in 2006, with escalation clauses in future years. The future minimum annual rentals are as follows:

<u>Year ending December 31,</u>	
2007	\$ 168,677
2008	164,797
2009	148,951
2010	110,895
2011	116,562
Thereafter	569,283
	<u>\$ 1,279,165</u>

Rent expense for these operating leases was \$119,919 and \$66,000 for the years ended December 31, 2006 and 2005, respectively.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

---

**NOTE 14 - COMMITMENTS (CONTINUED)**

**Radio Tower agreements**

The Company has lease agreements for radio towers, with expiration dates through August 2017. The leases called for monthly rental payments ranging from \$2,000 to \$3,500 in 2006, with an annual escalation clause of 5% for one of the leases. The future minimum annual rentals are as follows:

Year ending December 31,

2007	\$	86,844
2008		79,278
2009		22,344
2010		23,459
2011		24,635
Thereafter		161,796
	\$	398,356

Rent expense for these radio tower leases was \$46,000 and \$28,500 for the years ended December 31, 2006 and 2005, respectively.

**Satellite service agreement**

The Company has a satellite service agreement, which expires April 2009. The agreement called for monthly payments of \$7,571 in 2006, with an annual escalation clause of 4%. The future minimum annual payments are as follows:

Year ending December 31,

2007	\$	93,275
2008		97,008
2009		32,756
	\$	223,039

Satellite service expense was \$89,688 and \$86,240 for the years ended December 31, 2006 and 2005, respectively.

**Time brokerage agreement**

The Company had a time brokerage agreement, which enabled it to broadcast programming on the WLIE radio station in Islip, New York. The Company was required to pay a licensing fee, as well as a reimbursement of 50% of certain general and administrative expenses incurred by the licensee for the operations of the station. The agreement expired September 2006 and has not been renewed. Subsequently, a third party purchased the station and is currently operating the station.

Licensing fees were \$376,667 and \$400,000 for the years ended December 31, 2006 and 2005, respectively.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

---

**NOTE 15 - SUBSEQUENT EVENTS**

**WBON-FM Radio Station**

In December 2006, the Company agreed to purchase the assets of the WBON-FM radio station in Westhampton, New York for \$1,750,000.

At the time of purchase, the Company will assume the station's antenna site lease, which expires May 2007. This lease automatically renews for four five-year terms, unless either party gives notice 120 days prior to the end of any term. The monthly lease payments from January through May 2007 are \$1,459. If the lease renews, the monthly lease payments will increase 5% each lease year, which begins in June.

The Company entered into a one-year time brokerage agreement effective January 1, 2007, which enables the Company to broadcast programming at the WBON-FM radio station for a monthly fee of \$15,000. The fees total \$180,000 for the year ended December 31, 2007. This agreement terminates the earlier of December 31, 2007 or the closing date of the purchase of this station.

**WLIR-FM Radio Station**

In December 2006, the Company agreed to purchase the assets of the WLIR-FM radio station in Hampton Bays, New York for \$1,750,000.

At the time of purchase the Company will assume the station's license agreement, which commenced November 2006 and expires October 2011, with renewal options. The future minimum licensing fees are as follows:

Year ending December 31,

2007	\$	9,664
2008		10,050
2009		10,450
2010		10,872
2011		9,360
	\$	50,396

The Company will also assume the station's office lease, which expires April 2009, with renewal options. The future minimum annual rentals are as follows:

Year ending December 31,

2007	\$	108,500
2008		111,220
2009		37,380
	\$	257,100

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006 AND 2005**

---

**NOTE 15 - SUBSEQUENT EVENTS (CONTINUED)**

**WURP-AM Radio Station**

In March 2007, the Company agreed to purchase the assets of the WURP-AM radio station in Pittsburgh, Pennsylvania for \$225,000.

The Company will assume the station's office lease, which expires April 2010, with the option to renew the lease for three five-year terms. Rent for the lease year ended April 30, 2007 is \$16,800. The rent will increase to \$18,000 for the lease year ended April 30, 2008. Subsequent to April 30, 2008, annual rent will increase by the Consumer Price Index of the prior year, not exceed 5% of the prior year's rent.



**INDEPENDENT AUDITOR'S REPORT  
ON ADDITIONAL INFORMATION**

To the Board of Directors and Stockholders of  
BusinessTalkradio.net, Inc. and Subsidiaries  
Stamford, Connecticut

Our report on our audits of the basic consolidated financial statements of BusinessTalkradio.net, Inc. and Subsidiaries for 2006 and 2005 appears on page 1. Those audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The information included in the accompanying schedules is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, accordingly, we express no opinion on it.

A handwritten signature in dark ink, appearing to read 'Mark Jacobson', is written over a light gray background.

Owings Mills, Maryland  
April 20, 2007

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATED SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	2006	2005
Advertising and marketing	\$ 40,054	\$ 45,216
Automobile	45,527	45,404
Bad debts	17,209	87,665
Commissions	835,045	821,713
Contributions	12,725	7,030
Data processing	5,036	20,881
Depreciation and amortization	224,323	96,811
Dues and subscriptions	6,697	4,098
Insurance	139,656	106,013
Interest	132,999	40,500
Miscellaneous	43,137	26,951
Office expense	51,943	52,374
Outside services	1,138,980	1,332,655
Payroll service	12,274	12,209
Payroll taxes	107,890	120,932
Postage	10,169	10,448
Printing	4,648	5,392
Professional fees	310,646	117,270
Rent	172,979	96,217
Repairs and maintenance	8,442	15,087
Salaries	1,309,341	1,192,611
Satellite services	89,688	86,240
Supplies	6,210	2,350
Taxes - other	20,428	13,850
Telephone	182,987	173,200
Travel and entertainment	75,240	91,496
Utilities	23,199	17,210
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>\$ 5,027,472</b>	<b>\$ 4,641,823</b>

See independent auditor's report on additional information

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATING BALANCE SHEET**  
**DECEMBER 31, 2006**

	ASSETS									
	BTR	GBC	Lifestyle	West	Boston	Eliminations	Consolidated			
<b>CURRENT ASSETS</b>										
Cash	\$ 170,131	\$ 7,823	\$ 4,059	\$ 6,511	\$ 13,658	\$ -	\$ 202,182			
Accounts receivable - net of allowance for doubtful accounts of \$35,700	302,734	67,448	56,998	89,129	5,855	-	522,164			
Due from subsidiaries	8,754,171	-	-	-	-	(8,754,171)	-			
Total current assets	9,227,036	75,271	61,057	95,640	19,513	(8,754,171)	724,346			
<b>PROPERTY AND EQUIPMENT - NET</b>	47,048	15,065	32,719	2,755,000	145,000	112,227	3,107,059			
<b>OTHER ASSETS</b>										
Note receivable - other	250,000	-	-	-	-	-	250,000			
Construction in progress	281,393	111,685	-	-	-	-	393,078			
Deposits	311,165	27,722	-	-	800	-	339,687			
Deferred income taxes	68,483	335,389	190,030	-	-	-	593,932			
Goodwill	-	-	-	861,000	698,000	574,000	2,133,000			
Intangibles - net	-	-	-	519,431	274,675	126,000	920,106			
Total other assets	911,041	474,796	190,030	1,380,431	973,475	700,000	4,629,803			
<b>TOTAL ASSETS</b>	\$ 10,185,125	\$ 565,132	\$ 283,836	\$ 4,231,071	\$ 1,137,986	\$ (7,941,944)	\$ 8,461,208			
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>										
<b>CURRENT LIABILITIES</b>										
Note payable - other	\$ 344,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344,000			
Accounts payable	93,712	26,037	39,464	10,176	6,867	-	176,256			
Accrued expenses	331,146	29,546	7,864	67,076	26,568	-	462,190			
Unearned revenue	32,663	9,920	66,000	-	-	-	108,583			
Due to subsidiaries	-	2,119,095	1,275,340	4,232,499	1,127,237	(8,754,171)	-			
Total current liabilities	801,521	2,184,598	1,380,658	4,309,751	1,160,672	(8,754,171)	1,091,029			
<b>LONG-TERM LIABILITIES</b>										
Note payable - other	6,156,000	-	-	-	-	-	6,156,000			
Deposits	54,560	-	2,400	-	-	-	56,960			
Investment in subsidiaries	1,779,072	-	-	-	-	(1,779,072)	-			
Total long-term liabilities	6,989,632	-	2,400	-	-	(1,779,072)	5,212,960			
Total liabilities	7,791,153	2,184,598	1,383,058	4,309,751	1,160,672	(10,533,243)	5,304,989			
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>	2,393,972	(1,619,466)	(1,107,222)	(76,680)	(22,664)	2,597,299	2,157,219			
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	\$ 10,185,125	\$ 565,132	\$ 283,836	\$ 4,231,071	\$ 1,137,986	\$ (7,941,944)	\$ 8,461,208			

See independent auditor's report on page 2 and 3 of this report.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	BTR	GBC	Lifestyle	West	Boston	Eliminations	Consolidated
<b>NET SALES</b>	\$ 2,473,690	\$ 610,097	\$ 544,048	\$ 120,689	\$ 29,969	\$ -	\$ 3,778,493
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	2,419,639	1,204,393	1,083,784	199,369	52,653	67,644	5,027,472
<b>INCOME (LOSS) FROM OPERATIONS</b>	54,051	(594,296)	(539,736)	(78,680)	(22,684)	(67,644)	(1,248,979)
<b>OTHER INCOME (EXPENSES)</b>							
Interest income	7,545	-	-	-	-	-	7,545
Trade income	30,000	146,664	2,600	-	7,713	-	186,977
Trade expenses	-	(146,380)	-	-	(7,713)	-	(154,093)
Net (loss) of subsidiaries	(1,232,502)	-	-	-	-	1,232,502	-
Total other income (expenses)	(1,194,957)	284	2,600	-	-	1,232,502	40,429
<b>(LOSS) BEFORE PROVISION FOR DEFERRED INCOME TAXES</b>	(1,140,906)	(594,002)	(537,136)	(78,680)	(22,684)	1,164,858	(1,208,550)
<b>PROVISION FOR DEFERRED INCOME TAXES</b>	24,672	-	-	-	-	-	24,672
<b>NET (LOSS)</b>	<u>\$ (1,165,578)</u>	<u>\$ (594,002)</u>	<u>\$ (537,136)</u>	<u>\$ (78,680)</u>	<u>\$ (22,684)</u>	<u>\$ 1,164,858</u>	<u>\$ (1,233,222)</u>

See independent auditors' report on consolidated financial statements.



**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL		ACCUMULATED DEFICIT					ELIMINATIONS	TOTAL
	BTR		BTR		BTR	GBC	Lifestyle	West	Boston		
BALANCE - DECEMBER 31, 2005	\$ 49,766	\$	3,293,816	\$ (1,952,119)	\$ (1,025,464)	\$ (570,086)	\$	-	\$	1,426,441	\$ 1,222,354
NET (LOSS)	-		-	(1,155,578)	(594,002)	(537,136)	(78,680)	(22,684)		1,164,868	(1,233,222)
ISSUANCE OF STOCK	7,476		2,160,611	-	-	-	-	-	-	-	2,168,087
BALANCE - DECEMBER 31, 2006	\$ 57,242	\$	5,454,427	\$ (3,117,697)	\$ (1,619,466)	\$ (1,107,222)	\$ (78,680)	\$ (22,684)	\$	2,591,299	\$ 2,157,219

See independent auditor's report on audited financial statements.

**BUSINESS TALK RADIO, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	BTR	GBC	Lifestyle	West	Boston	Eliminations	Consolidated
Advertising and marketing	\$ 29,275	\$ 3,457	\$ 4,431	\$ 2,891	\$ -	\$ -	\$ 40,054
Automobile	30,078	6,491	8,236	297	425	-	45,527
Bad debts	12,543	4,666	-	-	-	-	17,209
Commissions	513,203	193,702	122,428	5,659	53	-	835,045
Contributions	2,400	10,325	-	-	-	-	12,725
Data processing	264	4,522	250	-	-	-	5,036
Depreciation and amortization	14,106	10,217	6,478	113,817	12,061	67,644	224,323
Dues and subscriptions	2,375	3,462	-	520	340	-	6,697
Insurance	82,376	49,687	4,468	3,125	-	-	139,656
Interest	132,999	-	-	-	-	-	132,999
Miscellaneous	29,623	6,113	1,186	5,513	702	-	43,137
Office expense	19,812	21,283	3,803	2,106	4,939	-	51,943
Outside services	54,156	457,667	621,267	3,845	2,045	-	1,138,980
Payroll service	2,853	6,182	2,766	232	241	-	12,274
Payroll taxes	49,978	31,760	20,385	4,090	1,677	-	107,890
Postage	8,982	873	106	-	208	-	10,169
Printing	4,626	-	-	22	-	-	4,648
Professional fees	306,376	2,500	1,770	-	-	-	310,646
Rent	1,625	156,466	5,000	4,598	5,390	-	172,979
Repairs and maintenance	1,069	7,373	-	-	-	-	8,442
Salaries	856,504	182,826	195,498	50,535	21,978	-	1,309,341
Satellite services	89,688	-	-	-	-	-	89,688
Supplies	-	6,210	-	-	-	-	6,210
Taxes - other	11,693	7,886	108	741	-	-	20,428
Telephone	88,156	6,576	85,604	852	1,799	-	182,987
Travel and entertainment	72,564	2,496	-	180	-	-	75,240
Utilities	415	21,643	-	346	795	-	23,199
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>\$ 2,419,639</b>	<b>\$ 1,204,383</b>	<b>\$ 1,083,784</b>	<b>\$ 199,369</b>	<b>\$ 52,653</b>	<b>\$ 67,644</b>	<b>\$ 5,027,472</b>

Consolidated Schedule of General and Administrative Expenses

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATING BALANCE SHEET**  
**DECEMBER 31, 2005**

	BTR	GBC	Lifestyle	Eliminations	Consolidated
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 47,290	\$ 24,852	\$ (2,810)	\$ -	\$ 69,332
Accounts receivable - net of allowance for doubtful accounts of \$35,948	264,675	82,236	62,629	-	409,542
Due from subsidiaries	2,223,363	-	-	(2,223,363)	-
Total current assets	2,535,328	107,090	59,819	(2,223,363)	478,874
<b>PROPERTY AND EQUIPMENT - NET</b>	44,524	24,426	16,440	179,871	265,261
<b>OTHER ASSETS</b>					
Deposits	40	10,000	7,965	-	18,005
Deferred income taxes	93,155	335,389	190,060	-	618,604
Goodwill	-	-	-	574,000	574,000
Intangibles - net	-	-	-	126,000	126,000
Total other assets	93,195	345,389	198,025	700,000	1,336,609
<b>TOTAL ASSETS</b>	<u>\$ 2,673,047</u>	<u>\$ 476,905</u>	<u>\$ 274,284</u>	<u>\$ (1,343,492)</u>	<u>\$ 2,080,744</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ -	\$ 14,208	\$ 43,999	\$ -	\$ 58,207
Accrued expenses	137,854	43,293	21,876	-	203,023
Notes payable - stockholder	50,000	-	-	-	50,000
Due to subsidiaries	-	1,444,868	778,495	(2,223,363)	-
Total current liabilities	167,854	1,502,369	844,370	(2,223,363)	311,230
<b>LONG-TERM LIABILITIES</b>					
Note payable - other	500,000	-	-	-	500,000
Deposits	47,160	-	-	-	47,160
Investment in subsidiaries	548,570	-	-	(548,570)	-
Total long-term liabilities	1,095,730	-	-	(548,570)	547,160
Total liabilities	1,263,584	1,502,369	844,370	(2,771,933)	858,390
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>	1,391,463	(1,025,464)	(570,086)	1,430,447	1,222,854
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<u>\$ 2,673,047</u>	<u>\$ 476,905</u>	<u>\$ 274,284</u>	<u>\$ (1,343,492)</u>	<u>\$ 2,080,744</u>

See accompanying notes to consolidated financial statements.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	BTR	GBC	Lifestyle	Eliminations	Consolidated
<b>NET SALES</b>	\$ 2,518,303	\$ 556,560	\$ 630,725	\$ -	\$ 3,705,588
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<u>2,093,449</u>	<u>1,255,130</u>	<u>1,225,600</u>	<u>67,644</u>	<u>4,641,823</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	424,854	(698,570)	(594,875)	(67,644)	(936,235)
<b>OTHER INCOME (EXPENSES)</b>					
Interest income	4,486	-	-	-	4,486
Trade income	17,021	288,233	4,000	-	309,254
Trade expenses	-	(335,157)	-	-	(335,157)
Radio station closing expenses	-	-	(169,271)	-	(169,271)
Net (loss) of subsidiaries	<u>(1,152,560)</u>	<u>-</u>	<u>-</u>	<u>1,152,560</u>	<u>-</u>
Total other income (expenses)	(1,131,053)	(46,924)	(165,271)	1,152,560	(190,688)
<b>(LOSS) BEFORE PROVISION FOR (BENEFIT FROM) DEFERRED INCOME TAXES</b>	(706,199)	(745,494)	(760,146)	1,084,916	(1,126,923)
<b>PROVISION FOR (BENEFIT FROM) DEFERRED INCOME TAXES</b>	<u>120,954</u>	<u>(163,020)</u>	<u>(190,060)</u>	<u>-</u>	<u>(232,126)</u>
<b>NET (LOSS)</b>	<u>\$ (627,153)</u>	<u>\$ (582,474)</u>	<u>\$ (570,066)</u>	<u>\$ 1,084,916</u>	<u>\$ (894,797)</u>

See independent auditor's report on pages 15-16 of this filing.

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL		ACCUMULATED DEFICIT					ELIMINATIONS	TOTAL
	BTR		BTR		BTR	GBC	Lifestyle	West	Boston		
<b>BALANCE - DECEMBER 31, 2004</b>	\$ 40,588	\$	925,614	\$ (1,124,966)	\$ (442,990)	\$	-	\$	-	\$ 341,525	\$ (250,229)
<b>NET (LOSS)</b>	-		-	(827,153)	(582,474)		(570,086)	-	-	1,084,916	1,894,797
<b>ISSUANCE OF STOCK</b>	9,178		2,368,202	-	-	-	-	-	-	-	2,377,380
<b>BALANCE - DECEMBER 31, 2005</b>	\$ 49,766	\$	3,293,816	\$ (1,952,119)	\$ (1,025,464)	\$ (570,086)	\$	-	\$	1,426,441	\$ 1,222,354

Consolidating Statement of Changes in Stockholders' Equity (Deficit)

**BUSINESSTALKRADIO.NET, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	BTR	GBC	Lifestyle	Eliminations	Consolidated
Advertising and marketing	\$ 12,830	\$ 19,958	\$ 12,428	\$ -	\$ 45,216
Automobile	29,435	6,785	9,184	-	45,404
Bad debts	57,576	30,089	-	-	87,665
Commissions	454,681	202,922	164,110	-	821,713
Contributions	2,000	5,030	-	-	7,030
Data processing	1,028	3,392	16,461	-	20,881
Depreciation	14,533	12,343	2,291	67,644	96,811
Dues and subscriptions	464	3,634	-	-	4,098
Insurance	71,885	33,860	267	-	106,013
Interest	40,500	-	-	-	40,500
Miscellaneous	11,628	11,379	3,544	-	26,951
Office expense	28,388	11,987	11,999	-	52,374
Outside services	100,133	502,303	730,219	-	1,332,655
Payroll service	2,982	7,317	1,910	-	12,209
Payroll taxes	60,110	43,328	17,494	-	120,932
Postage	7,581	2,709	158	-	10,448
Printing	4,814	578	-	-	5,392
Professional fees	117,270	-	-	-	117,270
Rent	-	96,217	-	-	96,217
Repairs and maintenance	654	9,328	5,105	-	15,087
Salaries	830,244	202,927	159,440	-	1,192,611
Satellite services	86,240	-	-	-	86,240
Supplies	-	2,350	-	-	2,350
Taxes - other	700	11,200	1,950	-	13,850
Telephone	71,429	13,381	88,390	-	173,200
Travel and entertainment	86,343	4,903	250	-	91,496
Utilities	-	17,210	-	-	17,210
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>\$ 2,093,449</b>	<b>\$ 1,255,130</b>	<b>\$ 1,225,600</b>	<b>\$ 67,644</b>	<b>\$ 4,641,823</b>

See independent auditor's report on consolidated financial statements.

## **EXHIBIT K**

**COHN | BIRNBAUM | SHEA**

A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

HARTFORD • WESTPORT • NEW YORK

100 PEARL STREET  
HARTFORD, CONNECTICUT 06103-4500  
TELEPHONE 860 • 493 • 2200  
FACSIMILE 860 • 727 • 0361

Scott D. Rosen, Esq.  
[srosen@cb-shea.com](mailto:srosen@cb-shea.com)

May 16, 2008

Barker Capital, LLC  
401 East 8<sup>th</sup> Street – Suite 220B  
Sioux Falls, SD 57103

Re: Financing Agreement (the "Financing Agreement") dated as of November 13, 2006, by and among BusinessTalkradio.net, Inc. ("Borrower"), Media Funding Company, LLC ("Lender") and BC Media Funding Company II, LLC ("Agent")

Gentlemen:

This firm represents BusinessTalkradio.net, Inc. and its subsidiaries ("Borrowers"), and Michael L. Metter in connection with the above-referenced matter.

We have been asked to respond to the February 6, 2008 letter and the April 24, 2008 letter (together, the "Default Letters") to Borrower from Barker Capital, LLC on behalf of Agent and Lender (collectively, "Barker") to Mr. Metter and others, which allege the existence of certain financial covenant defaults under the Financing Agreement.

Borrowers and Mr. Metter deny the existence of any events of default under the Financing Agreement. Barker has waived any previous events of default (the existence of which Borrowers deny) and is estopped from exercising any rights and remedies thereon.

Borrowers are current on all payments. Barker has accepted all such payments unconditionally.

Borrower had fully disclosed to Barker and Barker was fully aware of, Borrower's financial condition at the time of the closing of the Financing Agreement. In particular, Barker was aware at and before the time of the closing of Borrowers' (i) fixed charge coverage ratio, (ii) consolidated EBITDA and (iii) net cash revenue. There has been no material adverse change in these financial covenants or results since the closing.



COHN | BIRNBAUM | SHEA

Barker Capital, LLC  
May 16, 2008  
Page 2

Barker's assertion of financial covenant defaults appears to be made in bad faith and for improper purposes. As evidence of Barker's bad faith, we note the following: That certain BC Media Funding Company II, L.P. Confidential Private Placement Memorandum dated October 2007 discloses the transaction evidenced by the Financing Agreement as not being in default as of October of 2007.

Borrowers and Metter hereby demand the immediate withdrawal of the Default Letters.

Very truly yours,



Scott D. Rosen

SDR/clm  
cc: BusinessTalkradio.net, Inc.  
Mr. Michael Metter

## **EXHIBIT F**



## FAX COVER SHEET

Please

Deliver To:

Jim Weeks

Fax Number:

908 526-9944

From:

Jay Marshall

Fax Number:

(203) 422-2288

Date:

9/26/06

Time:

Number of pages (including this page):

Comments:

WBET financial reportsJan - Nov B/SP&L(Dec. was sent via fax yesterday)

P.O. Box 4826 \* Greenwich, CT 06831 \* (203) 422-2800 \* Fax: (203) 422-2288

[www.businesstalkradio.net](http://www.businesstalkradio.net)[www.lifestyletalkradio.com](http://www.lifestyletalkradio.com)

F A C S I M I L E

TO:

Name:

Fax #:

Pages:

Jay

203 869 3636

FROM:

Name:

Fax #:

Date/Time:

Sandy

MESSAGE:



Date: 5/25/06

KJI BROADCASTING LLC  
 Time: 10:33a  
 BALANCE SHEET  
 Accounting Period: January 2005

Page: 1

Original Draft

Balance  
 end of  
 January  
 2005

## ASSETS

## CURRENT ASSETS

1121-00-0	BERKSHIRE BANK CHECKING	30,891.19
1124-00-0	BERK BANK MONEY MARKET	1,007.84
1126-00-0	ROCKLAND TRUST	3,992.55
1121-00-0	ACCOUNTS RECEIVABLE	26,026.30
1128-00-0	PREPAID INSURANCE	2,670.25
1128-50-0	PREPAID HEALTH INSURANCE	2,366.38

## TOTAL CURRENT ASSETS

66,954.51

## FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(286,420.86)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,263.16)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

## TOTAL FIXED ASSETS

220,120.09

## OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,797,497.75
-----------	----------------	--------------

## TOTAL OTHER ASSETS

1,797,497.75

## TOTAL ASSETS

2,084,572.35

## LIABILITIES AND CAPITAL

## CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	5,143.57
-----------	------------------	----------

## TOTAL CURRENT LIABILITIES

5,143.57

## CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
2299 00-0	RETAINED EARNINGS	2,096,410.02

## TOTAL CAPITAL ACCOUNTS

2,088,681.12

Date: 9/25/06

KJI BROADCASTING LLC

Time: 10:33a

BALANCE SHEET

Accounting Period: January 2005

Page: 2

Original Draft

Balance  
end of  
January  
2005  
-----

TOTAL LIABILITIES AND CAPITAL

2,093,824.69

Net Income

(9,252.34)

SUMMARY:

TOTAL ASSETS

2,084,572.35

TOTAL LIABILITIES AND CAPITAL

2,093,824.69

Net Income

(9,252.34)  
-----

Balance

0

KJI BROADCASTING LLC  
Time: 10:33a  
BALANCE SHEET  
Accounting Period: February 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
February  
2005  
-----

ASSETS

CURRENT ASSETS	
1101-00-0	BERKSHIRE BANK CHECKING 28,226.06
1104-00-0	BERK BANK MONEY MARKET 1,007.84
1106-00-0	ROCKLAND TRUST 5,309.50
1121-00-0	ACCOUNTS RECEIVABLE 22,984.35
1128-00-0	PREPAID INSURANCE 2,305.25
	-----
TOTAL CURRENT ASSETS	59,833.00

FIXED ASSETS	
1150-00-0	BUILDING IMPROVEMENT - CARPET 2,317.50
1151-00-0	ACCUM DEP - CARPET (2,317.50)
1152-00-0	GOODWILL 40,000.00
1153-00-0	AMORT - GOODWILL (9,555.57)
1158-00-0	START UP 16,460.06
1159-00-0	AMORT - START UP (16,460.06)
1160-00-0	WBET LICENSE 200,000.00
1161-00-0	AMORT - WBET LICENSE (47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP 313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH (287,095.08)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN 6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE (5,296.32)
1174-00-0	WBET EQUIP RELOCATION 10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT (1,666.67)
	-----
TOTAL FIXED ASSETS	219,412.71

OTHER ASSETS	
1180-00-0	INTERCO - WMVY 1,797,497.75
	-----
TOTAL OTHER ASSETS	1,797,497.75
TOTAL ASSETS	2,076,743.46

LIABILITIES AND CAPITAL

CURRENT LIABILITIES	
2210-00-0	ACCOUNTS PAYABLE 5,663.68
	-----
TOTAL CURRENT LIABILITIES	5,663.68

CAPITAL ACCOUNTS	
2295-00-0	DISTRIBUTION (7,728.90)
2299-00-0	RETAINED EARNINGS 2,096,410.02
	-----
TOTAL CAPITAL ACCOUNTS	2,088,681.12

KJI BROADCASTING LLC  
Time: 10:33a  
BALANCE SHEET  
Accounting Period: February 2005

Page: 2

Original Draft

Date: 9/25/06

Balance  
end of  
February  
2005  
-----

Net Income

(17,601.34)

SUMMARY:

TOTAL ASSETS  
TOTAL LIABILITIES AND CAPITAL  
Net Income

2,076,743.46  
2,094,344.80  
(17,601.34)  
-----

Balance

0



KJI BROADCASTING LLC

Time: 10:33a

BALANCE SHEET

Accounting Period: March 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
March  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	20,724.58
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	13,203.10
1121-00-0	ACCOUNTS RECEIVABLE	19,371.25
1123-00-0	TRADE ACCOUNTS RECEIVABLE	(429.20)
1124-50-0	PREPAID NAB	80.00
1128-00-0	PREPAID INSURANCE	1,940.25
		-----

55,897.82

TOTAL CURRENT ASSETS

FIXED ASSETS

1150-00-0	BUILDING IMROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(287,769.30)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,329.48)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)
		-----

218,705.33

TOTAL FIXED ASSETS

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,797,497.75
		-----

1,797,497.75

TOTAL OTHER ASSETS

TOTAL ASSETS

2,072,100.90

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	6,263.54
		-----

6,263.54

TOTAL CURRENT LIABILITIES

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
2299-00-0	RETAINED EARNINGS	2,096,410.02
		-----

KJ1 BROADCASTING LLC  
Time: 10:33a  
BALANCE SHEET  
Accounting Period: March 2005

Page: 2

Original Draft

Date: 9/25/06

Balance  
end of  
March  
2005  
-----

TOTAL LIABILITIES AND CAPITAL

2,094,944.66

Net Income

(22,843.76)

SUMMARY:

TOTAL ASSETS

2,072,100.90

TOTAL LIABILITIES AND CAPITAL

2,094,944.66

Net Income

(22,843.76)  
-----

0

Balance

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: April 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
April  
2005  
-----

ASSETS

CURRENT ASSETS		
1101-00-0	BERKSHIRE BANK CHECKING	23,604.59
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	1,369.10
1121-00-0	ACCOUNTS RECEIVABLE	24,125.60
1123-00-0	TRADE ACCOUNTS RECEIVABLE	(509.20)
1124-50-0	PREPAID NAB	80.00
1128-00-0	PREPAID INSURANCE	1,575.25
1128-50-0	PREPAID HEALTH INSURANCE	(802.20)
		-----
TOTAL CURRENT ASSETS		50,450.98

FIXED ASSETS		
1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(288,443.52)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,362.64)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)
		-----
TOTAL FIXED ASSETS		217,997.95

OTHER ASSETS		
1180-00-0	INTERCO - WMVY	1,797,497.75
		-----
TOTAL OTHER ASSETS		1,797,497.75
TOTAL ASSETS		2,065,946.68

LIABILITIES AND CAPITAL

CURRENT LIABILITIES		
2210-00-0	ACCOUNTS PAYABLE	3,308.92
		-----
TOTAL CURRENT LIABILITIES		3,308.92

CAPITAL ACCOUNTS		
2295-00-0	DISTRIBUTION	(7,728.90)

KJI BROADCASTING LLC

Time: 10:34a

BALANCE SHEET

Accounting Period: April 2005

Page: 2

Original Draft

Date: 9/25/06

	Balance end of April 2005
2299-00-0 RETAINED EARNINGS	2,036,410.02
TOTAL CAPITAL ACCOUNTS	2,088,681.12
TOTAL LIABILITIES AND CAPITAL	2,091,990.04
Net Income	(26,043.36)

SUMMARY:	2,065,946.68
TOTAL ASSETS	2,091,990.04
TOTAL LIABILITIES AND CAPITAL	(26,043.36)
Net Income	0
Balance	

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: May 2005

Page: 1

Original Draft

Balance  
end of  
May  
2005  
-----

ASSETS

CURRENT ASSETS		
1101-00-0	BERKSHIRE BANK CHECKING	19,424.74
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	4,701.10
1121-00-0	ACCOUNTS RECEIVABLE	31,736.20
1123-00-0	TRADE ACCOUNTS RECEIVABLE	(509.20)
1128-00-0	PREPAID INSURANCE	1,210.25
1128-50-0	PREPAID HEALTH INSURANCE	(802.20)
TOTAL CURRENT ASSETS		56,768.73

FIXED ASSETS		
1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(289,117.74)
1172-00-0	OFFICE FURNITURE AND EQUIP	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,395.80)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)
TOTAL FIXED ASSETS		217,290.57

OTHER ASSETS		
1180-00-0	INTERCO - WMVY	1,797,497.75
TOTAL OTHER ASSETS		1,797,497.75

TOTAL ASSETS		2,071,557.05
--------------	--	--------------

LIABILITIES AND CAPITAL

CURRENT LIABILITIES		
1210-00-0	ACCOUNTS PAYABLE	2,430.34
1213-00-0	POWER AND LIGHT PAYABLE	(500.00)
TOTAL CURRENT LIABILITIES		2,930.34

CAPITAL ACCOUNTS		
1295-00-0	DISTRIBUTION	(7,728.90)

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: May 2005

Page: 2

Original Draft

	Balance end of May 2005
2299-00-0 RETAINED EARNINGS	2,096,410.02
TOTAL CAPITAL ACCOUNTS	2,088,681.12
TOTAL LIABILITIES AND CAPITAL	2,091,611.46
Net Income	(20,054.41)

SUMMARY:	
TOTAL ASSETS	2,071,557.05
TOTAL LIABILITIES AND CAPITAL	2,091,611.46
Net Income	(20,054.41)

Balance

0

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: June 2005

Page: 1

Original Draft

Balance  
end of  
June  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	31,404.57
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	1,383.96
1121-00-0	ACCOUNTS RECEIVABLE	28,547.44
1128-00-0	PREPAID INSURANCE	845.25

-----  
63,189.06

TOTAL CURRENT ASSETS

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(289,791.96)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,428.96)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

-----  
216,583.19

TOTAL FIXED ASSETS

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,782,497.75
-----------	----------------	--------------

-----  
1,782,497.75

TOTAL OTHER ASSETS

TOTAL ASSETS

2,062,270.00

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	5,594.40
-----------	------------------	----------

-----

TOTAL CURRENT LIABILITIES

5,594.40

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
2299-00-0	RETAINED EARNINGS	2,096,410.02

-----

TOTAL CAPITAL ACCOUNTS

2,088,681.12

KJI BROADCASTING LLC

Time: 10:34a

BALANCE SHEET

Accounting Period: June 2005

Page: 2

Original Draft

Date: 9/25/06

Balance  
end of  
June  
2005

(32,005.52)

Net Income

SUMMARY :

TOTAL ASSETS

2,062,270.00

TOTAL LIABILITIES AND CAPITAL

2,094,275.52

Net Income

(32,005.52)

0

Balance



KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: July 2006

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
July  
2006  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	4,462.96
1106-00-0	ROCKLAND TRUST	8,754.33
1121-00-0	ACCOUNTS RECEIVABLE	48,092.31
1124-65-0	PREPAID NEWS SERVICE	576.55
1128-00-0	PREPAID INSURANCE	(1,328.37)

-----  
60,557.78

TOTAL CURRENT ASSETS

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(297,739.78)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	9,097.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(6,025.86)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(5,066.67)

-----  
206,248.47

TOTAL FIXED ASSETS

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,756,812.11
-----------	----------------	--------------

-----  
1,756,812.11

TOTAL OTHER ASSETS

TOTAL ASSETS

2,023,618.36

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

1210-00-0	ACCOUNTS PAYABLE	2,059.08
-----------	------------------	----------

-----  
2,059.08

TOTAL CURRENT LIABILITIES

CAPITAL ACCOUNTS

1299-00-0	RETAINED EARNINGS	2,050,526.48
-----------	-------------------	--------------

-----  
2,050,526.48

TOTAL CAPITAL ACCOUNTS

2,052,585.56

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: July 2006

Page: 2

Original Draft

Balance  
end of  
July  
2006  
-----

Net Income

(28,967.20)

SUMMARY:

TOTAL ASSETS

2,023,618.36

TOTAL LIABILITIES AND CAPITAL

2,052,585.56

Net Income

(28,967.20)  
-----

Balance

0

KJI BROADCASTING LLC

Time: 10:34a

BALANCE SHEET

Accounting Period: August 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
August  
2005

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	7,044.45
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	20,037.27
1121-00-0	ACCOUNTS RECEIVABLE	27,087.93
1128-00-0	PREPAID INSURANCE	115.25
1120-50-0	PREPAID HEALTH INSURANCE	(826.75)

54,465.99

TOTAL CURRENT ASSETS

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(291,140.40)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,495.28)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

215,168.43

TOTAL FIXED ASSETS

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,782,497.75
-----------	----------------	--------------

1,782,497.75

TOTAL OTHER ASSETS

TOTAL ASSETS

2,052,132.17

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	2,429.21
-----------	------------------	----------

2,429.21

TOTAL CURRENT LIABILITIES

CAPITAL ACCOUNTS

295-00-0	DISTRIBUTION	(7,728.90)
299-00-0	RETAINED EARNINGS	2,096,410.02

2,088,681.12

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: August 2005

Page: 2

Original Draft

Date: 9/25/06

Balance  
end of  
August  
2005  
-----

TOTAL LIABILITIES AND CAPITAL

2,091,110.33

Net Income

(38,978.16)

SUMMARY:

TOTAL ASSETS

2,052,132.17

TOTAL LIABILITIES AND CAPITAL

2,091,110.33

Net Income

(38,978.16)

Balance

-----  
0

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: September 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
September  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	12,877.45
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	7,498.44
1121-00-0	ACCOUNTS RECEIVABLE	25,052.71
1123-00-0	TRADE ACCOUNTS RECEIVABLE	5,552.60
1128-50-0	PREPAID HEALTH INSURANCE	(826.75)

-----  
51,162.29

TOTAL CURRENT ASSETS

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(291,814.62)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,528.44)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

-----  
214,461.05

TOTAL FIXED ASSETS

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,794,497.75
-----------	----------------	--------------

-----  
1,794,497.75

TOTAL OTHER ASSETS

TOTAL ASSETS

2,060,121.09

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2110-00-0	ACCOUNTS PAYABLE	4,645.47
-----------	------------------	----------

-----  
4,645.47

TOTAL CURRENT LIABILITIES

CAPITAL ACCOUNTS

2195-00-0	DISTRIBUTION	(7,728.90)
2199-00-0	RETAINED EARNINGS	2,096,410.02

-----  
2,088,681.12

TOTAL ACCOUNTS

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: September 2005

Page: 2

Original Draft

Date: 9/15/06

	Balance end of September 2005 -----
TOTAL LIABILITIES AND CAPITAL	2,093,326.59
Net Income	(33,205.50)

SUMMARY:	
TOTAL ASSETS	2,060,121.09
TOTAL LIABILITIES AND CAPITAL	2,093,326.59
Net Income	(33,205.50)
	-----
Balance	0

KJI BROADCASTING LLC  
Time: 10:35a  
BALANCE SHEET  
Accounting Period: October 2005

Page: 1

Original Draft

ate: 9/25/06

Balance  
end of  
October  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	13,422.60
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1105-00-0	ROCKLAND TRUST	14,469.30
1121-00-0	ACCOUNTS RECEIVABLE	26,436.65
1128-00-0	PREPAID INSURANCE	2,418.63
1128-50-0	PREPAID HEALTH INSURANCE	(826.75)

TOTAL CURRENT ASSETS

56,928.27

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1169-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(292,488.84)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,561.60)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

TOTAL FIXED ASSETS

213,793.67

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,794,497.75
-----------	----------------	--------------

TOTAL OTHER ASSETS

1,794,497.75

TOTAL ASSETS

2,065,179.69

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	4,767.05
-----------	------------------	----------

TOTAL CURRENT LIABILITIES

4,767.05

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
2299-00-0	RETAINED EARNINGS	2,096,410.02

2,088,681.12

KJI BROADCASTING LLC

Time: 10:35a

BALANCE SHEET

Accounting Period: October 2005

Page: 2

Original Draft

Date: 9/15/06

Balance  
end of  
October  
2005  
-----

TOTAL LIABILITIES AND CAPITAL

2,093,448.17

Net Income

(28,268.48)

SUMMARY:

TOTAL ASSETS

2,065,179.69

TOTAL LIABILITIES AND CAPITAL

2,093,448.17

Net Income

(28,268.48)  
-----

Balance

0



KJI BROADCASTING LLC  
Time: 10:35a  
BALANCE SHEET  
Accounting Period: November 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
November  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	7,818.75
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	10,713.99
1121-00-0	ACCOUNTS RECEIVABLE	30,436.46
1128-00-0	PREPAID INSURANCE	2,353.59
1128-50-0	PREPAID HEALTH INSURANCE	(826.75)

TOTAL CURRENT ASSETS

51,503.80

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(293,163.06)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,594.76)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

TOTAL FIXED ASSETS

213,046.29

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,801,842.11
-----------	----------------	--------------

TOTAL OTHER ASSETS

1,801,842.11

TOTAL ASSETS

2,066,392.20

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	3,020.00
-----------	------------------	----------

TOTAL CURRENT LIABILITIES

3,020.00

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
2299-00-0	RETAINED EARNINGS	2,096,410.02

TOTAL CAPITAL ACCOUNTS

2,088,681.12

KJI BROADCASTING LLC  
Time: 10:35a  
BALANCE SHEET  
Accounting Period: November 2005

Page: 2  
Original Draft

Date: 9/25/06

	Balance end of November 2005 -----
TOTAL LIABILITIES AND CAPITAL	2,091,701.12
Net Income	(25,308.84)

SUMMARY:	
TOTAL ASSETS	2,066,392.28
TOTAL LIABILITIES AND CAPITAL	2,091,701.12
Net Income	(25,308.84)
	-----
Balance	0

KJI BROADCASTING LLC  
 Date: 9/25/06 Time: 10:35a Page: 1  
 PROFIT/LOSS STATEMENT  
 Accounting Period: January 2005 Original Draft

	NetChange January 2005	YTD thru end of January 2005
REVENUE		
REVENUE		
0000-00-0 LOCAL SALES	18,907.50	18,907.50
TOTAL REVENUE	18,907.50	18,907.50
DIRECT COST ACCOUNTS		
0000-00-0 AGENCY DISCOUNTS	195.00	195.00
4100-00-0 INTEREP COMMISSION	674.86	674.86
4200-00-0 LOCAL COMMISSIONS	4,114.17	4,114.17
TOTAL DIRECT COST ACCOUNTS	4,984.03	4,984.03
GROSS MARGIN	13,923.47	13,923.47
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	575.00	575.00
5504-00-0 POWER AND LIGHT	630.33	630.33
5506-00-0 TOWER RENT	2,000.00	2,000.00
TOTAL ENGINEERING	3,205.33	3,205.33
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	6,264.40	6,264.40
6603-00-0 PAYROLL TAXES	796.93	796.93
6614-00-1 ASCAP	94.00	94.00
6614-00-2 BMI	114.61	114.61
6614-00-3 SESAC	72.00	72.00
6650-00-0 NEWS SERVICE	967.84	967.84
TOTAL PROGRAMMING	8,309.78	8,309.78
SALES		
7701-00-0 SALES SALARIES	3,600.00	3,600.00
7705-00-0 PAYROLL TAXES	918.69	918.69
7720-00-0 SALES TRAVEL	250.00	250.00
TOTAL SALES	4,768.69	4,768.69
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	720.00	720.00
8802-00-0 PAYROLL TAXES	91.60	91.60
8803-00-0 PAYROLL FEES	282.49	282.49
8806-00-0 PERSONAL PROPERTY TAX	490.70	490.70
8811-00-0 RENT	1,390.48	1,390.48
8816-00-0 TELEPHONE	1,491.66	1,491.66

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:35a  
PROFIT/LOSS STATEMENT  
Accounting Period: January 2005

Page: 2

Original Draft

	NetChange January 2005	YTD thru end of January 2005
6822-001-0 POSTAGE	67.04	67.04
6828-001-0 GENERAL INSURANCE	365.00	365.00
6830-001-0 DUES AND SUBSCRIPTIONS	142.50	142.50
6832-001-0 HEALTH INSURANCE	823.62	823.62
6836-001-0 BANK FEES	12.00	12.00
6837-001-0 VISA FEES	7.50	7.50
TOTAL ADMINISTRATIVE	6,193.59	6,193.59
TOTAL OPERATING EXPENSE	22,477.39	22,477.39
CASH FLOW	(8,553.92)	(8,553.92)
OTHER INCOME AND EXPENSES		
6852-002-0 TRADE SALES	(8,484.40)	(8,484.40)
6860-002-0 TRADE CREDITS AND DISCOUNTS	8,484.40	8,484.40
6862-002-0 INTEREST INCOME	(9.07)	(9.07)
6700-002-0 DEPRECIATION	707.49	707.49
TOTAL OTHER INCOME AND EXPENSE	698.42	698.42
Net Income	(9,252.34)	(9,252.34)
SUMMARY:		
CASH FLOW	(8,553.92)	(8,553.92)
Net Income	(9,252.34)	(9,252.34)

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:41a  
PROFIT/LOSS STATEMENT  
Accounting Period: February 2005

Page: 1

Original Draft

	NetChange February 2005	YTD thru end of February 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	19,837.50	38,745.00
2100-00-0 AGENCY SALES	1,670.00	1,670.00
TOTAL REVENUE	21,507.50	40,415.00
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	232.50	427.50
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	4,081.24	8,195.41
TOTAL DIRECT COST ACCOUNTS	4,313.74	9,297.77
GROSS MARGIN	17,193.76	31,117.23
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	0	575.00
5501-00-0 CONTRACT PROJECTS	275.00	275.00
5504-00-0 POWER AND LIGHT	485.85	1,116.18
5506-00-0 TOWER RENT	2,000.00	4,000.00
TOTAL ENGINEERING	2,760.85	5,966.18
PROGRAMMING		
6501-00-0 PROGRAMMING SALARIES	6,100.40	12,364.80
6503-00-0 PAYROLL TAXES	776.02	1,572.95
6514-00-1 ASCAP	94.00	188.00
6514-00-2 BMI	114.61	229.22
6514-00-3 SESAC	72.00	144.00
6550-00-0 NEWS SERVICE	998.84	1,966.68
TOTAL PROGRAMMING	8,155.87	16,465.65
SALES		
7201-00-0 SALES SALARIES	3,600.00	7,200.00
7205-00-0 PAYROLL TAXES	914.48	1,833.17
7220-00-0 SALES TRAVEL	200.00	450.00
TOTAL SALES	4,714.48	9,483.17
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	1,320.00	2,040.00
8802-00-0 PAYROLL TAXES	167.92	259.52
8803-00-0 PAYROLL FEES	141.25	423.74
8805-00-0 PERSONAL PROPERTY TAX	0	490.70

KJI BROADCASTING LLC  
 Time: 10:41a  
 PROFIT/LOSS STATEMENT  
 Accounting Period: February 2005

Page: 2

Original Draft

	NetChange February 2005	YTD thru end of February 2005
8816-00-0 TELEPHONE	1,575.01	3,066.67
8817-00-0 PROFESSIONAL SERVICES	3,000.00	3,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	0	309.00
8823-00-0 POSTAGE	0	67.04
8824-00-0 OFFICE SUPPLIES	337.84	337.84
8828-00-0 GENERAL INSURANCE	365.00	730.00
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	222.50
8832-00-0 HEALTH INSURANCE	823.62	1,647.24
8836-00-0 BANK FEES	0	12.00
8837-00-0 VISA FEES	7.50	15.00
TOTAL ADMINISTRATIVE	9,208.62	15,402.21
TOTAL OPERATING EXPENSESE	24,839.82	47,317.21
CASH FLOW	(7,646.06)	(16,199.98)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(6,920.20)	(15,404.60)
8860-00-0 TRADE CREDITS AND DISCOUNTS	6,920.20	15,404.60
8800-00-0 INTEREST INCOME	(4.44)	(13.51)
9700-00-0 DEPRECIATION	707.38	1,414.87
TOTAL OTHER INCOME AND EXPENSE	702.94	1,401.36
Net Income	(8,349.00)	(17,601.34)
SUMMARY:		
CASH FLOW	(7,646.06)	(16,199.98)
Net Income	(8,349.00)	(17,601.34)

KJI BROADCASTING LLC  
Time: 10:41a  
PROFIT/LOSS STATEMENT  
Accounting Period: March 2005

Page: 1

Original Draft

	NetChange March 2005	YTD thru end of March 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	23,222.50	61,967.50
3100-00-0 AGENCY SALES	3,760.00	5,430.00
TOTAL REVENUE	26,982.50	67,397.50
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	339.00	766.50
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	4,280.59	12,476.00
TOTAL DIRECT COST ACCOUNTS	4,619.59	13,917.36
GROSS MARGIN	22,362.91	53,480.14
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	1,025.00	1,600.00
5501-00-0 CONTRACT PROJECTS	0	275.00
5504-00-0 POWER AND LIGHT	583.47	1,699.65
5506-00-0 TOWER RENT	2,000.00	6,000.00
TOTAL ENGINEERING	3,608.47	9,574.65
PROGRAMMING		
6501-00-0 PROGRAMMING SALARIES	6,213.40	18,578.20
6503-00-0 PAYROLL TAXES	790.38	2,363.33
6514-00-1 ASCAP	188.00	376.00
6514-00-2 BMI	114.61	343.83
6514-00-3 SESAC	73.08	217.08
6550-00-0 NEWS SERVICE	998.84	2,965.52
TOTAL PROGRAMMING	8,378.31	24,843.96
SALES		
7001-00-0 SALES SALARIES	4,400.00	11,600.00
7005-00-0 PAYROLL TAXES	1,020.13	2,853.30
7020-00-0 SALES TRAVEL	0	450.00
TOTAL SALES	5,420.13	14,903.30
ADMINISTRATIVE		
8001-00-0 ADMINISTRATIVE SALARIES	1,320.00	3,360.00
8002-00-0 PAYROLL TAXES	167.92	427.44
8003-00-0 PAYROLL FEES	142.50	566.24
8006-00-0 PERSONAL PROPERTY TAX	0	490.70

Date: 9/25/06

6816-00-0	TELEPHONE
6817-00-0	PROFESSIONAL
6822-00-0	COMPUTER
6823-00-0	POSTAGE
6824-00-0	OFFICE SUPPLIES
6828-00-0	GENERAL
6830-00-0	DUES AND
6832-00-0	HEALTH INSURANCE
6836-00-0	BANK FEE
6837-00-0	VISA FEE

TOTAL ADMINISTRATIVE

TOTAL OPERATING EXPENSES

CASH FLOW

	OTHER INCOME AND
6852-00-0	TRADE SAL
6860-00-0	TRADE CRE
6860-00-0	INTEREST
6700-00-0	DEPRECIATION

TOTAL OTHER INCOME

Net Income

SUMMARY:

CASH FLOW

Net Income



Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:41a  
PROFIT/LOSS STATEMENT  
Accounting Period: March 2005

Page: 2

Original Draft

	NetChange March 2005	YTD thru end of March 2005
8816-00-0 TELEPHONE	1,524.85	4,591.52
8817-00-0 PROFESSIONAL SERVICES	3,000.00	6,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	309.00	618.00
8823-00-0 POSTAGE	0	67.04
8824-00-0 OFFICE SUPPLIES	0	337.84
8828-00-0 GENERAL INSURANCE	365.00	1,095.00
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	302.50
8832-00-0 HEALTH INSURANCE	761.93	2,409.17
8836-00-0 BANK FEES	3.00	15.00
8837-00-0 VISA FEES	7.50	22.50
TOTAL ADMINISTRATIVE	9,072.18	24,474.39
TOTAL OPERATING EXPENSESE	26,479.09	73,796.30
CASH FLOW	(4,116.18)	(20,316.16)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(7,192.50)	(22,597.10)
8860-00-0 TRADE CREDITS AND DISCOUNTS	7,621.70	23,026.30
9600-00-0 INTEREST INCOME	(10.34)	(23.85)
9700-00-0 DEPRECIATION	707.38	2,122.25
TOTAL OTHER INCOME AND EXPENSE	1,126.24	2,527.60
Net Income	(5,242.42)	(22,843.76)
SUMMARY:		
CASH FLOW	(4,116.18)	(20,316.16)
Net Income	(5,242.42)	(22,843.76)

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: April 2005

Page: 1

Original Draft

	NetChange April 2005	YTD thru end of April 2005
REVENUE		
REVENUE		
1000-00-0 LOCAL SALES	22,016.50	83,984.00
2100-00-0 AGENCY SALES	2,746.60	8,176.60
TOTAL REVENUE	24,763.10	92,160.60
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	342.75	1,109.25
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	3,828.88	16,304.88
TOTAL DIRECT COST ACCOUNTS	4,171.63	18,088.99
GROSS MARGIN	20,591.47	74,071.61
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	650.00	2,250.00
5501-00-0 CONTRACT PROJECTS	0	275.00
5504-00-0 POWER AND LIGHT	476.87	2,176.52
5506-00-0 TOWER RENT	2,000.00	8,000.00
5518-00-0 PARTS	(194.27)	(194.27)
TOTAL ENGINEERING	2,932.60	12,507.25
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	5,801.40	24,379.60
6603-00-0 PAYROLL TAXES	737.96	3,101.29
6614-00-1 ASCAP	44.00	420.00
6614-00-2 BMI	114.61	458.44
6614-00-3 SESAC	72.00	289.08
6650-00-0 NEWS SERVICE	998.84	3,964.36
6658-00-0 INTERNET EXPENSE	12.00	12.00
TOTAL PROGRAMMING	7,780.81	32,624.77
SALES		
7701-00-0 SALES SALARIES	4,000.00	15,600.00
7705-00-0 PAYROLL TAXES	894.34	3,747.64
7720-00-0 SALES TRAVEL	200.00	650.00
TOTAL SALES	5,094.34	19,997.64
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	1,140.00	4,500.00
8802-00-0 GENERAL TAXES	200.09	627.53

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: April 2005

Page: 2

Original Draft

	NetChange April 2005	YTD thru end of April 2005
8806-00-0 PERSONAL PROPERTY TAX	0	490.70
8811-00-0 RENT	1,390.48	5,561.92
8816-00-0 TELEPHONE	1,379.10	5,970.62
8817-00-0 PROFESSIONAL SERVICES	0	6,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	358.30	976.30
8823-00-0 POSTAGE	327.60	394.64
8824-00-0 OFFICE SUPPLIES	0	337.84
8828-00-0 GENERAL INSURANCE	365.00	1,460.00
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	382.50
8832-00-0 HEALTH INSURANCE	823.62	3,232.79
8836-00-0 BANK FEES	100.00	115.00
8837-00-0 VISA FEES	7.50	30.00
TOTAL ADMINISTRATIVE	6,309.19	30,783.58
TOTAL OPERATING EXPENSESE	22,116.94	95,913.24
CASH FLOW	(1,525.47)	(21,841.63)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(8,505.95)	(31,103.05)
8860-00-0 TRADE CREDITS AND DISCOUNTS	8,585.95	31,612.25
9400-00-0 LEGAL	888.30	888.30
9600-00-0 INTEREST INCOME	(1.55)	(25.40)
9700-00-0 DEPRECIATION	707.38	2,829.63
TOTAL OTHER INCOME AND EXPENSE	1,674.13	4,201.73
Net Income	(3,199.60)	(26,043.36)
SUMMARY:		
CASH FLOW	(1,525.47)	(21,841.63)
Net Income	(3,199.60)	(26,043.36)

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: May 2005

Page: 1

Original Draft

	NetChange May 2005	YTD thru end of May 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	28,355.50	112,339.50
3100-00-0 AGENCY SALES	4,158.60	12,335.20
TOTAL REVENUE	32,514.10	124,674.70
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	559.50	1,668.75
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	4,044.35	20,349.23
TOTAL DIRECT COST ACCOUNTS	4,603.85	22,692.84
GROSS MARGIN	27,910.25	101,981.86
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	575.00	2,825.00
5501-00-0 CONTRACT PROJECTS	0	275.00
5504-00-0 POWER AND LIGHT	978.30	3,154.82
5506-00-0 TOWER RENT	2,000.00	10,000.00
5518-00-0 PARTS	0	(194.27)
TOTAL ENGINEERING	3,553.30	16,060.55
PROGRAMMING		
6001-00-0 PROGRAMMING SALARIES	5,713.60	30,093.20
6003-00-0 PAYROLL TAXES	726.83	3,828.12
6014-00-1 ASCAP	104.00	524.00
6014-00-2 BMI	114.61	573.05
6014-00-3 SESAC	72.00	361.08
6050-00-0 NEWS SERVICE	398.84	4,963.20
6052-00-0 INTERNET EXPENSE	0	12.00
TOTAL PROGRAMMING	7,729.88	40,354.65
SALES		
7001-00-0 SALES SALARIES	3,600.00	19,200.00
7005-00-0 PAYROLL TAXES	724.73	4,472.37
7020-00-0 SALES TRAVEL	250.00	900.00
TOTAL SALES	4,574.73	24,572.37
ADMINISTRATIVE		
8001-00-0 ADMINISTRATIVE SALARIES	960.00	5,460.00
	122.12	749.65

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: May 2005

Page: 2

Original Draft

	NetChange May 2005	YTD thru end of May 2005
8806-00-0 PERSONAL PROPERTY TAX	0	490.70
8811-00-0 RENT	1,390.48	6,952.40
8816-00-0 TELEPHONE	1,432.43	7,403.05
8817-00-0 PROFESSIONAL SERVICES	0	6,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	0	976.30
8823-00-0 POSTAGE	12.31	406.95
8824-00-0 OFFICE SUPPLIES	0	337.84
8828-00-0 GENERAL INSURANCE	365.00	1,825.00
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	462.50
8832-00-0 HEALTH INSURANCE	882.26	4,115.05
8836-00-0 BANK FEES	(88.00)	27.00
8837-00-0 VISA FEES	7.50	37.50
TOTAL ADMINISTRATIVE	5,297.60	36,081.18
TOTAL OPERATING EXPENSESE	21,155.51	117,068.75
CASH FLOW	6,754.74	(15,086.89)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(9,271.35)	(40,374.40)
8850-00-0 TRADE CREDITS AND DISCOUNTS	9,271.35	40,883.60
9400-00-0 LEGAL	60.00	948.30
9600-00-0 INTEREST INCOME	(1.59)	(26.99)
9700-00-0 DEPRECIATION	707.38	3,537.01
TOTAL OTHER INCOME AND EXPENSE	765.79	4,967.52
Net Income	5,988.95	(20,054.41)
SUMMARY:		
CASH FLOW	6,754.74	(15,086.89)
Net Income	5,988.95	(20,054.41)

Date: 5/25/06

## KJI BROADCASTING LLC

Time: 10:42a

Page: 1

## PROFIT/LOSS STATEMENT

Accounting Period: June 2005

Original Draft

	NetChange June 2005	YTD thru end of June 2005
REVENUE		
REVENUE		
0000-00-0 LOCAL SALES	26,498.50	138,838.00
0100-00-0 AGENCY SALES	3,448.60	15,783.80
TOTAL REVENUE	29,947.10	154,621.80
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	453.00	2,121.75
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	3,643.41	23,992.64
TOTAL DIRECT COST ACCOUNTS	4,096.41	26,789.25
GROSS MARGIN	25,850.69	127,832.55
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	900.00	3,725.00
5501-00-0 CONTRACT PROJECTS	877.60	1,152.60
5504-00-0 POWER AND LIGHT	572.81	3,727.63
5506-00-0 TOWER RENT	2,000.00	12,000.00
5518-00-0 PARTS	0	(194.27)
TOTAL ENGINEERING	4,350.41	20,410.96
PROGRAMMING		
6501-00-0 PROGRAMMING SALARIES	5,487.10	35,580.30
6503-00-0 PAYROLL TAXES	682.10	4,510.22
6514-00-1 ASCAP	204.00	728.00
6514-00-2 BMI	114.61	687.66
6514-00-3 SESAC	72.00	433.08
6550-00-0 NEWS SERVICE	998.84	5,962.04
6552-00-0 INTERNET EXPENSE	0	12.00
TOTAL PROGRAMMING	7,558.65	47,913.30
SALES		
7701-00-0 SALES SALARIES	3,600.00	22,800.00
7705-00-0 PAYROLL TAXES	668.28	5,140.65
7708-00-0 SALES TRAVEL	200.00	1,100.00
7721-00-0 DUES	116.00	116.00
TOTAL SALES	4,584.28	29,156.65
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	960.00	6,420.00

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: June 2005

Page: 2

Original Draft

	NetChange June 2005	YTD thru end of June 2005
8803-00-0 PAYROLL FEES	132.25	969.49
8806-00-0 PERSONAL PROPERTY TAX	0	490.70
8811-00-0 RENT	1,390.48	8,342.88
8816-00-0 TELEPHONE	1,412.81	8,815.86
8817-00-0 PROFESSIONAL SERVICES	0	6,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	0	976.30
8823-00-0 POSTAGE	250.00	656.95
8824-00-0 OFFICE SUPPLIES	0	337.84
8828-00-0 GENERAL INSURANCE	365.00	2,190.00
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	542.50
8832-00-0 HEALTH INSURANCE	0.29	4,115.34
8836-00-0 BANK FEES	0	27.00
8837-00-0 VISA FEES	7.50	45.00
TOTAL ADMINISTRATIVE	4,720.45	40,801.63
TOTAL OPERATING EXPENSESE	21,213.79	138,282.54
CASH FLOW	4,636.90	(10,449.99)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(9,347.15)	(49,721.55)
8860-00-0 TRADE CREDITS AND DISCOUNTS	8,837.95	49,721.55
9400-00-0 LEGAL	2,392.50	3,340.80
9600-00-0 INTEREST INCOME	(2.67)	(29.66)
9700-00-0 DEPRECIATION	707.38	4,244.39
9900-10-0 SETTLEMENT - AMER MEDIA PARTN	14,000.00	14,000.00
TOTAL OTHER INCOME AND EXPENSE	16,568.01	21,555.53
Net Income	(11,951.11)	(32,005.52)
SUMMARY:		
CASH FLOW	4,636.90	(10,449.99)
Net Income	(11,951.11)	(32,005.52)

## KJI BROADCASTING LLC

Date: 9/25/06

Time: 10:42a

Page: 1

## PROFIT/LOSS STATEMENT

Accounting Period: July 2005

Original Draft

	NetChange July 2005	YTD thru end of July 2005
REVENUE		
REVENUE		
0000-00-0 LOCAL SALES	29,836.50	168,674.50
0100-00-0 AGENCY SALES	2,993.60	18,777.40
TOTAL REVENUE	32,830.10	187,451.90
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	384.75	2,506.50
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	5,808.75	29,801.39
TOTAL DIRECT COST ACCOUNTS	6,193.50	32,982.75
GROSS MARGIN	26,636.60	154,469.15
OPERATING EXPENSESE		
ENGINEERING		
0500-00-0 CONTRACT ENGINEER	1,000.00	4,725.00
0501-00-0 CONTRACT PROJECTS	0	1,152.60
0504-00-0 POWER AND LIGHT	682.04	4,409.67
0506-00-0 TOWER RENT	2,000.00	14,000.00
0510-00-0 PARTS	0	(194.27)
TOTAL ENGINEERING	3,682.04	24,093.00
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	8,683.90	44,264.20
6603-00-0 PAYROLL TAXES	1,087.91	5,598.13
6614-00-1 ASCAP	0	728.00
6614-00-2 BMI	114.61	802.27
6614-00-3 SESAC	72.00	505.08
6650-00-0 NEWS SERVICE	781.49	6,743.53
6652-00-0 INTERNET EXPENSE	0	12.00
TOTAL PROGRAMMING	10,739.91	58,653.21
SALES		
7701-00-0 SALES SALARIES	6,600.00	29,400.00
7705-00-0 PAYROLL TAXES	1,150.56	6,291.21
7720-00-0 SALES TRAVEL	250.00	1,350.00
7721-00-0 DUES	(116.00)	0
TOTAL SALES	7,884.56	37,041.21
ADMINISTRATIVE		
0001-00-0 ADMINISTRATIVE SALARIES	1,440.00	7,860.00
	1,440.00	1,054.95



KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: July 2005

Page: 2

Original Draft

	NetChange July 2005	YTD thru end of July 2005
8803-001-0 PAYROLL FEES	245.12	1,214.61
8806-001-0 PERSONAL PROPERTY TAX	0	490.70
8807-001-0 CORP TAXES AND FEES	500.00	500.00
8811-001-0 RENT	1,390.48	9,733.36
8816-001-0 TELEPHONE	1,578.43	10,394.29
8817-001-0 PROFESSIONAL SERVICES	0	6,000.00
8822-001-0 COMPUTER SUPPLIES AND SERVICE	309.00	1,285.30
8823-001-0 POSTAGE	0	656.95
8824-001-0 OFFICE SUPPLIES	377.26	715.10
8828-001-0 GENERAL INSURANCE	365.00	2,555.00
8830-001-0 DUES AND SUBSCRIPTIONS	80.00	622.50
8832-001-0 HEALTH INSURANCE	1,296.76	5,412.10
8836-001-0 BANK FEES	0	27.00
8837-001-0 VISA FEES	7.50	52.50
TOTAL ADMINISTRATIVE	7,772.73	48,574.36
TOTAL OPERATING EXPENSESE	30,079.24	168,361.70
CASH FLOW	(3,442.64)	(13,892.63)
OTHER INCOME AND EXPENSES		
8882-002-0 TRADE SALES	(11,926.20)	(61,647.75)
8880-002-0 TRADE CREDITS AND DISCOUNTS	10,813.80	60,535.35
9400-002-0 LEGAL	0	3,340.80
9600-002-0 INTEREST INCOME	(1.60)	(31.26)
9700-002-0 DEPRECIATION	707.38	4,951.77
9900-10-0 SETTLEMENT - AMER MEDIA PARTN	0	14,000.00
TOTAL OTHER INCOME AND EXPENSE	(406.62)	21,148.91
Net Income	(3,036.02)	(35,041.54)
SUMMARY:		
CASH FLOW	(3,442.64)	(13,892.63)
Net Income	(3,036.02)	(35,041.54)

Date: 9/25/06

KJI BROADCASTING LLC  
 Time: 10:42a  
 PROFIT/LOSS STATEMENT  
 Accounting Period: August 2005

Page: 1

Original Draft

	NetChange August 2005	YTD thru end of August 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	26,675.00	195,349.50
5100-00-0 AGENCY SALES	281.60	19,059.00
TOTAL REVENUE	26,956.60	214,408.50
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	0	2,506.50
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	4,246.55	34,047.94
TOTAL DIRECT COST ACCOUNTS	4,246.55	37,229.30
GROSS MARGIN	22,710.05	177,179.20
OPERATING EXPENSES		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	425.00	5,150.00
5501-00-0 CONTRACT PROJECTS	0	1,152.60
5504-00-0 POWER AND LIGHT	712.25	5,121.92
5506-00-0 TOWER RENT	2,000.00	16,000.00
5518-00-0 PARTS	0	(194.27)
TOTAL ENGINEERING	3,137.25	27,230.25
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	5,496.60	49,760.80
6603-00-0 PAYROLL TAXES	688.02	6,286.15
6614-00-1 ASCAP	104.00	832.00
6614-00-2 BMI	114.61	916.88
6614-00-3 SESAC	72.00	577.08
6650-00-0 NEWS SERVICE	564.14	7,307.67
6652-00-0 INTERNET EXPENSE	0	12.00
TOTAL PROGRAMMING	7,039.37	65,692.58
SALES		
7701-00-0 SALES SALARIES	4,400.00	33,800.00
7705-00-0 PAYROLL TAXES	743.19	7,034.40
7720-00-0 SALES TRAVEL	200.00	1,550.00
TOTAL SALES	5,343.19	42,384.40
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	1,042.50	8,902.50
8802-00-0 PAYROLL TAXES	132.61	1,187.56

Original Draft

	NetChange August 2005	YTD thru end of August 2005
5806-00-0 PERSONAL PROPERTY TAX	0	490.70
5807-00-0 CORP TAXES AND FEES	1,960.00	2,460.00
5811-00-0 RENT	1,390.48	11,123.84
5816-00-0 TELEPHONE	1,639.89	12,034.18
5817-00-0 PROFESSIONAL SERVICES	0	6,000.00
5822-00-0 COMPUTER SUPPLIES AND SERVICE	0	1,285.30
5823-00-0 POSTAGE	0	656.95
5824-00-0 OFFICE SUPPLIES	0	715.10
5826-00-0 BAD DEBT	1,696.15	1,696.15
5828-00-0 GENERAL INSURANCE	365.00	2,920.00
5830-00-0 DUES AND SUBSCRIPTIONS	80.00	702.50
5832-00-0 HEALTH INSURANCE	851.59	6,263.69
5836-00-0 BANK FEES	12.00	39.00
5837-00-0 VISA FEES	7.50	60.00
TOTAL ADMINISTRATIVE	9,308.72	57,883.08
TOTAL OPERATING EXPENSESE	24,828.53	193,190.31
CASH FLOW	(2,118.48)	(16,011.11)
OTHER INCOME AND EXPENSES		
5852-00-0 TRADE SALES	(9,778.95)	(71,426.70)
5800-00-0 TRADE CREDITS AND DISCOUNTS	10,891.35	71,426.70
3400-00-0 LEGAL	0	3,340.80
9600-00-0 INTEREST INCOME	(1.64)	(32.90)
9700-00-0 DEPRECIATION	707.38	5,659.15
9800-10-0 SETTLEMENT - AMER MEDIA PARTN	0	14,000.00
TOTAL OTHER INCOME AND EXPENSE	1,818.14	22,967.05
Net Income	(3,936.62)	(38,978.16)
SUMMARY:		
CASH FLOW	(2,118.48)	(16,011.11)
Net Income	(3,936.62)	(38,978.16)

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:46a  
PROFIT/LOSS STATEMENT  
Accounting Period: September 2005

Page: 1

Original Draft

	NetChange September 2005	YTD thru end of September 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	29,383.00	224,732.50
3100-00-0 AGENCY SALES	147.00	19,206.00
3300-00-0 POLITICAL INCOME	500.00	500.00
TOTAL REVENUE	30,030.00	244,438.50
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	22.05	2,528.55
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	4,189.80	38,237.74
TOTAL DIRECT COST ACCOUNTS	4,211.85	41,441.15
GROSS MARGIN	25,818.15	202,997.35
OPERATING EXPENSE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	200.00	5,350.00
5501-00-0 CONTRACT PROJECTS	0	1,152.60
5504-00-0 POWER AND LIGHT	741.67	5,863.59
5506-00-0 TOWER RENT	2,000.00	19,000.00
5518-00-0 PARTS	0	(194.27)
TOTAL ENGINEERING	2,941.67	30,171.92
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	5,600.10	55,360.90
6603-00-0 PAYROLL TAXES	696.07	6,982.22
6614-00-1 ASCAP	208.00	1,040.00
6614-00-2 BMI	114.61	1,031.49
6614-00-3 SESAC	72.00	649.08
6650-00-0 NEWS SERVICE	1,188.22	8,495.89
6652-00-0 INTERNET EXPENSE	0	12.00
TOTAL PROGRAMMING	7,879.00	73,571.58
SALES		
7701-00-0 SALES SALARIES	4,000.00	37,600.00
7705-00-0 PAYROLL TAXES	647.25	7,681.65
7720-00-0 SALES TRAVEL	200.00	1,750.00
TOTAL SALES	4,847.25	47,231.65
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	960.00	9,862.50

Date: 9/25/06

KJI BROADCASTING LLC

Time: 10:46a

Page: 2

PROFIT/LOSS STATEMENT

Accounting Period: September 2005

Original Draft

	NetChange September 2005	YTD thru end of September 2005
8803-00-01 PAYROLL FEES	135.25	1,480.06
8806-00-01 PERSONAL PROPERTY TAX	33.65	524.35
8807-00-01 CORP TAXES AND FEES	0	2,460.00
8811-00-01 RENT	1,390.48	12,514.32
8816-00-01 TELEPHONE	1,855.87	13,890.05
8817-00-01 PROFESSIONAL SERVICES	0	6,000.00
8822-00-01 COMPUTER SUPPLIES AND SERVICE	309.00	1,594.30
8823-00-01 POSTAGE	46.43	703.38
8824-00-01 OFFICE SUPPLIES	106.73	821.83
8826-00-01 BAD DEBT	570.00	2,266.15
8828-00-01 GENERAL INSURANCE	115.25	3,035.25
8830-00-01 DUES AND SUBSCRIPTIONS	80.00	782.50
8832-00-01 HEALTH INSURANCE	1,678.34	7,942.03
8836-00-01 BANK FEES	12.00	51.00
8837-00-01 VISA FEES	7.50	67.50
TOTAL ADMINISTRATIVE	7,450.29	65,333.37
TOTAL OPERATING EXPENSESE	23,118.21	216,308.52
CASH FLOW	2,699.94	(13,311.17)
OTHER INCOME AND EXPENSES		
8852-00-01 TRADE SALES	(5,552.60)	(76,979.30)
8860-00-01 TRADE CREDITS AND DISCOUNTS	0	71,426.70
9400-00-01 LEGAL	772.50	4,113.30
9600-00-01 INTEREST INCOME	0	(32.90)
9700-00-01 DEPRECIATION	707.38	6,366.53
9800-10-01 SETTLEMENT - AMER MEDIA PARTN	0	14,000.00
9800-50-01 CHARITABLE CONTRIBUTIONS	1,000.00	1,000.00
TOTAL OTHER INCOME AND EXPENSE	(3,072.72)	19,894.33
Net Income	5,772.66	(33,205.50)
SUMMARY:		
CASH FLOW	2,699.94	(13,311.17)
Net Income	5,772.66	(33,205.50)

Date: 9/29/08

KJI BROADCASTING LLC  
Time: 10:46a  
PROFIT/LOSS STATEMENT  
Accounting Period: October 2005

Page: 1

Original Draft

	NetChange October 2005	YTD thru end of October 2005
REVENUE		
REVENUE		
0000-00-00 LOCAL SALES	35,638.00	260,370.50
3100-00-00 AGENCY SALES	1,078.00	20,284.00
3300-00-00 POLITICAL INCOME	0	500.00
TOTAL REVENUE	36,716.00	281,154.50
DIRECT COST ACCOUNTS		
4000-00-00 AGENCY DISCOUNTS	127.50	2,656.05
4100-00-00 INTEREP COMMISSION	0	674.86
4200-00-00 LOCAL COMMISSIONS	5,098.61	43,336.35
TOTAL DIRECT COST ACCOUNTS	5,226.11	46,667.26
GROSS MARGIN	31,489.89	234,487.24
OPERATING EXPENSESE		
ENGINEERING		
5500-00-00 CONTRACT ENGINEER	650.00	6,000.00
5501-00-00 CONTRACT PROJECTS	0	1,152.60
5504-00-00 POWER AND LIGHT	642.51	6,506.10
5506-00-00 TOWER RENT	2,000.00	20,000.00
5518-00-00 PARTS	0	(194.27)
TOTAL ENGINEERING	3,292.51	33,464.43
PROGRAMMING		
6001-00-00 PROGRAMMING SALARIES	6,117.60	61,478.50
6003-00-00 PAYROLL TAXES	724.71	7,706.93
6614-00-01 ASCAP	12.00	1,052.00
6614-00-02 BMI	114.61	1,146.10
6614-00-03 SESAC	72.00	721.08
6650-00-00 NEWS SERVICE	0	8,495.89
6652-00-00 INTERNET EXPENSE	0	12.00
TOTAL PROGRAMMING	7,040.92	80,612.50
SALES		
7701-00-00 SALES SALARIES	3,600.00	41,400.00
7705-00-00 PAYROLL TAXES	660.85	8,342.50
7720-00-00 SALES TRAVEL	250.00	2,000.00
TOTAL SALES	4,510.85	51,742.50
ADMINISTRATIVE		
0000-00-00 ADMINISTRATIVE SALARIES	960.00	10,822.50

## KJI BROADCASTING LLC

Time: 10:46a

Page: 2

## PROFIT/LOSS STATEMENT

Accounting Period: October 2005

Original Draft

	NetChange October 2005	YTD thru end of October 2005
8803-001-01 PAYROLL FEES	130.75	1,611.61
8806-001-01 PERSONAL PROPERTY TAX	33.65	558.00
8807-001-01 CORP TAXES AND FEES	0	2,460.00
8811-001-01 RENT	1,390.48	13,904.80
8816-001-01 TELEPHONE	689.83	14,579.88
8817-001-01 PROFESSIONAL SERVICES	0	6,000.00
8822-001-01 COMPUTER SUPPLIES AND SERVICE	0	1,594.30
8823-001-01 POSTAGE	200.00	903.38
8824-001-01 OFFICE SUPPLIES	114.53	936.36
8826-001-01 BAD DEBT	0	2,266.15
8828-001-01 GENERAL INSURANCE	400.00	3,435.25
8830-001-01 DUES AND SUBSCRIPTIONS	80.00	862.50
8832-001-01 HEALTH INSURANCE	851.59	8,793.62
8836-001-01 BANK FEES	48.25	99.25
8837-001-01 VISA FEES	7.50	75.00
TOTAL ADMINISTRATIVE	5,151.95	70,485.32
TOTAL OPERATING EXPENSESE	19,996.23	236,304.75
CASH FLOW	11,493.66	(1,817.51)
OTHER INCOME AND EXPENSES		
8852-001-01 TRADE SALES	(7,485.30)	(84,464.60)
8860-001-01 TRADE CREDITS AND DISCOUNTS	13,037.90	84,464.60
9400-001-01 LEGAL	298.35	4,411.65
9600-001-01 INTEREST INCOME	(1.69)	(34.59)
9700-001-01 DEPRECIATION	707.38	7,073.91
9800-101-01 SETTLEMENT - AMER MEDIA PARTN	0	14,000.00
9800-501-01 CHARITABLE CONTRIBUTIONS	0	1,000.00
TOTAL OTHER INCOME AND EXPENSE	6,556.64	26,450.97
Net Income	4,937.02	(28,268.48)
SUMMARY:		
CASH FLOW	11,493.66	(1,817.51)
Net Income	4,937.02	(28,268.48)

KJI BROADCASTING LLC

Time: 10:46a

Page: 1

PROFIT/LOSS STATEMENT

Accounting Period: November 2005

Original Draft

Date: 9/25/06

	NetChange November 2005	YTD thru end of November 2005
REVENUE		
REVENUE		
1000-00-0 LOCAL SALES	31,173.50	291,544.00
1100-00-0 AGENCY SALES	0	20,284.00
1300-00-0 POLITICAL INCOME	500.00	1,000.00
TOTAL REVENUE	31,673.50	312,828.00
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	0	2,656.05
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	5,059.40	48,395.75
TOTAL DIRECT COST ACCOUNTS	5,059.40	51,726.66
GROSS MARGIN	26,614.10	261,101.34
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	550.00	6,550.00
5501-00-0 CONTRACT PROJECTS	0	1,152.60
5504-00-0 POWER AND LIGHT	858.77	7,364.87
5506-00-0 TOWER RENT	2,000.00	22,000.00
5516-00-0 PARTS	0	(194.27)
TOTAL ENGINEERING	3,408.77	36,873.20
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	6,337.60	67,816.10
6603-00-0 PAYROLL TAXES	717.67	8,424.60
6604-00-0 PROGRAMMING RIGHTS	250.00	250.00
6614-00-1 ASCAP	104.00	1,156.00
6614-00-2 BMI	114.61	1,260.71
6614-00-3 SESAC	144.00	865.08
6650-00-0 NEWS SERVICE	534.17	3,030.06
6652-00-0 INTERNET EXPENSE	(87.13)	(75.13)
TOTAL PROGRAMMING	8,114.92	88,727.42
SALES		
7701-00-0 SALES SALARIES	4,000.00	45,400.00
7705-00-0 PAYROLL TAXES	764.27	9,106.77
7720-00-0 SALES TRAVEL	200.00	2,200.00
TOTAL SALES	4,964.27	56,706.77
ADMINISTRATIVE		
	864.00	11,686.50



KJI BROADCASTING LLC  
 Date: 9/25/06 Time: 10:46a  
 PROFIT/LOSS STATEMENT  
 Accounting Period: November 2005

Page: 2

Original Draft

	NetChange November 2005	YTD thru end of November 2005
8802-001-0 PAYROLL TAXES	130.05	1,712.77
8803-001-0 PAYROLL FEES	138.50	1,750.11
8806-001-0 PERSONAL PROPERTY TAX	0	558.00
8807-001-0 CORP TAXES AND FEES	0	2,460.00
8811-001-0 RENT	1,390.48	15,295.28
8816-001-0 TELEPHONE	1,528.45	16,108.33
8817-001-0 PROFESSIONAL SERVICES	0	6,000.00
8822-001-0 COMPUTER SUPPLIES AND SERVICE	0	1,594.30
8823-001-0 POSTAGE	0	903.38
8824-001-0 OFFICE SUPPLIES	0	936.36
8826-001-0 BAD DEBT	0	2,266.15
8828-001-0 GENERAL INSURANCE	400.00	3,835.25
8830-001-0 DUES AND SUBSCRIPTIONS	80.00	942.50
8832-001-0 HEALTH INSURANCE	851.59	9,645.21
8836-001-0 BANK FEES	(11.00)	88.25
8837-001-0 VISA FEES	0	75.00
 TOTAL ADMINISTRATIVE	 5,372.07	 75,857.39
 TOTAL OPERATING EXPENSESE	 21,860.03	 250,164.78
 CASH FLOW	 4,754.07	 2,936.56
 OTHER INCOME AND EXPENSES		
8852-001-0 TRADE SALES	(5,456.85)	(89,921.45)
8860-001-0 TRADE CREDITS AND DISCOUNTS	5,456.85	89,921.45
9400-001-0 LEGAL	435.00	4,846.65
9400-011-0 WBET MAILING	655.64	655.64
9600-001-0 INTEREST INCOME	(3.59)	(38.18)
9700-001-0 DEPRECIATION	707.38	7,781.29
9800-101-0 SETTLEMENT - AMER MEDIA PARTN	0	14,000.00
9800-501-0 CHARITABLE CONTRIBUTIONS	0	1,000.00
 TOTAL OTHER INCOME AND EXPENSE	 1,794.43	 28,245.40
 Net Income	 2,959.64	 (25,308.84)
  SUMMARY:		
CASH FLOW	4,754.07	2,936.56
 Net Income	 2,959.64	 (25,308.84)

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:33a  
BALANCE SHEET  
Accounting Period: January 2005

Page: 1

Original Draft

Balance  
end of  
January  
2005

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	30,891.19
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	3,992.55
1121-00-0	ACCOUNTS RECEIVABLE	26,026.30
1128-00-0	PREPAID INSURANCE	2,670.25
1128-50-0	PREPAID HEALTH INSURANCE	2,366.38

TOTAL CURRENT ASSETS

66,954.51

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(286,420.86)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,263.16)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

TOTAL FIXED ASSETS

220,120.09

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,797,497.75
-----------	----------------	--------------

TOTAL OTHER ASSETS

1,797,497.75

TOTAL ASSETS

2,084,572.35

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	5,143.57
-----------	------------------	----------

TOTAL CURRENT LIABILITIES

5,143.57

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
2299-00-0	RETAINED EARNINGS	2,096,410.02

TOTAL CAPITAL ACCOUNTS

2,088,681.12

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:33a  
BALANCE SHEET  
Accounting Period: January 2005

Page: 2

Original Draft

Balance  
end of  
January  
2005  
-----

TOTAL LIABILITIES AND CAPITAL

2,093,824.69

Net Income

(9,252.34)

SUMMARY:

TOTAL ASSETS

2,084,572.35

TOTAL LIABILITIES AND CAPITAL

2,093,824.69

Net Income

(9,252.34)  
-----

Balance

0

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:33a  
BALANCE SHEET  
Accounting Period: February 2005

Page: 1  
Original Draft

	Balance end of February 2005
	-----
ASSETS	
CURRENT ASSETS	
1101-00-0 BERKSHIRE BANK CHECKING	28,226.06
1104-00-0 BERK BANK MONEY MARKET	1,007.84
1106-00-0 ROCKLAND TRUST	5,309.50
1121-00-0 ACCOUNTS RECEIVABLE	22,984.35
1128-00-0 PREPAID INSURANCE	2,305.25
	-----
TOTAL CURRENT ASSETS	59,833.00
FIXED ASSETS	
1150-00-0 BUILDING IMROVEMENT - CARPET	2,317.50
1151-00-0 ACCUM DEP - CARPET	(2,317.50)
1152-00-0 GOODWILL	40,000.00
1153-00-0 AMORT - GOODWILL	(9,555.57)
1158-00-0 START UP	16,460.06
1159-00-0 AMORT - START UP	(16,460.06)
1160-00-0 WBET LICENSE	200,000.00
1161-00-0 AMORT - WBET LICENSE	(47,777.76)
1168-00-0 STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0 ACCUM DEP - STUDIO AND TECH	(287,095.08)
1172-00-0 OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0 ACCUM DEP - OFFICE FURNITURE	(5,296.32)
1174-00-0 WBET EQUIP RELOCATION	10,000.00
1175-00-0 ACCUM DEPREICATION - TRANSMIT	(1,666.67)
	-----
TOTAL FIXED ASSETS	219,412.71
OTHER ASSETS	
1180-00-0 INTERCO - WMVY	1,797,497.75
	-----
TOTAL OTHER ASSETS	1,797,497.75
TOTAL ASSETS	2,076,743.46
LIABILITIES AND CAPITAL	
CURRENT LIABILITIES	
2210-00-0 ACCOUNTS PAYABLE	5,663.68
	-----
TOTAL CURRENT LIABILITIES	5,663.68
CAPITAL ACCOUNTS	
2295-00-0 DISTRIBUTION	(7,728.90)
2299-00-0 RETAINED EARNINGS	2,096,410.02
	-----
TOTAL CAPITAL ACCOUNTS	2,088,681.12

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:33a  
BALANCE SHEET  
Accounting Period: February 2005

Page: 2

Original Draft

Balance  
end of  
February  
2005  
-----

Net Income

(17,601.34)

SUMMARY:

TOTAL ASSETS

2,076,743.46

TOTAL LIABILITIES AND CAPITAL

2,094,344.80

Net Income

(17,601.34)  
-----

Balance

0

KJI BROADCASTING LLC

Time: 10:33a

BALANCE SHEET

Accounting Period: March 2005

Page: 1

Original Draft

Balance  
end of  
March  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	20,724.58
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	13,203.10
1121-00-0	ACCOUNTS RECEIVABLE	19,371.25
1123-00-0	TRADE ACCOUNTS RECEIVABLE	(429.20)
1124-50-0	PREPAID NAB	80.00
1128-00-0	PREPAID INSURANCE	1,940.25

TOTAL CURRENT ASSETS

55,897.82

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(287,769.30)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,329.48)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

TOTAL FIXED ASSETS

218,705.33

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,797,497.75
-----------	----------------	--------------

TOTAL OTHER ASSETS

1,797,497.75

TOTAL ASSETS

2,072,100.90

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	6,263.54
-----------	------------------	----------

TOTAL CURRENT LIABILITIES

6,263.54

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
2299-00-0	RETAINED EARNINGS	2,096,410.02

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:33a  
BALANCE SHEET  
Accounting Period: March 2005

Page: 2  
Original Draft

Balance  
end of  
March  
2005  
-----

TOTAL LIABILITIES AND CAPITAL

2,094,944.66

Net Income

(22,843.76)

SUMMARY:

TOTAL ASSETS

2,072,100.90

TOTAL LIABILITIES AND CAPITAL

2,094,944.66

Net Income

(22,843.76)  
-----

Balance

0

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: April 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
April  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	23,604.59
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	1,369.10
1121-00-0	ACCOUNTS RECEIVABLE	24,125.60
1123-00-0	TRADE ACCOUNTS RECEIVABLE	(509.20)
1124-50-0	PREPAID NAB	80.00
1128-00-0	PREPAID INSURANCE	1,575.25
1128-50-0	PREPAID HEALTH INSURANCE	(802.20)

TOTAL CURRENT ASSETS

50,450.98

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(288,443.52)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,362.64)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

TOTAL FIXED ASSETS

217,997.95

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,797,497.75
-----------	----------------	--------------

TOTAL OTHER ASSETS

1,797,497.75

TOTAL ASSETS

2,065,946.68

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	3,308.92
-----------	------------------	----------

TOTAL CURRENT LIABILITIES

3,308.92

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
-----------	--------------	------------



Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: April 2005

Page: 2

Original Draft

	Balance end of April 2005
2299-00-0 RETAINED EARNINGS	2,096,410.02
TOTAL CAPITAL ACCOUNTS	2,088,681.12
TOTAL LIABILITIES AND CAPITAL	2,091,990.04
Net Income	(26,043.36)

SUMMARY:	
TOTAL ASSETS	2,065,946.68
TOTAL LIABILITIES AND CAPITAL	2,091,990.04
Net Income	(26,043.36)
	<hr/>
Balance	0

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: May 2005

Page: 1

Original Draft

Balance  
end of  
May  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	19,424.74
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	4,701.10
1121-00-0	ACCOUNTS RECEIVABLE	31,736.20
1123-00-0	TRADE ACCOUNTS RECEIVABLE	(509.20)
1128-00-0	PREPAID INSURANCE	1,210.25
1128-50-0	PREPAID HEALTH INSURANCE	(802.20)

TOTAL CURRENT ASSETS 56,768.73

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(289,117.74)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,395.80)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

TOTAL FIXED ASSETS 217,290.57

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,797,497.75
-----------	----------------	--------------

TOTAL OTHER ASSETS 1,797,497.75

TOTAL ASSETS 2,071,557.05

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	2,430.34
2213-00-0	POWER AND LIGHT PAYABLE	(500.00)

TOTAL CURRENT LIABILITIES 2,930.34

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
-----------	--------------	------------

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: May 2005

Page: 2

Original Draft

Date: 9/25/06

	Balance end of May 2005
2299-00-0 RETAINED EARNINGS	2,096,410.02
TOTAL CAPITAL ACCOUNTS	2,088,681.12
TOTAL LIABILITIES AND CAPITAL	2,091,611.46
Net Income	(20,054.41)

SUMMARY:	
TOTAL ASSETS	2,071,557.05
TOTAL LIABILITIES AND CAPITAL	2,091,611.46
Net Income	(20,054.41)
	0
Balance	

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: June 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
June  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	31,404.57
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	1,383.96
1121-00-0	ACCOUNTS RECEIVABLE	28,547.44
1128-00-0	PREPAID INSURANCE	845.25

TOTAL CURRENT ASSETS

63,189.06

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(289,791.96)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,428.96)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

TOTAL FIXED ASSETS

216,583.19

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,782,497.75
-----------	----------------	--------------

TOTAL OTHER ASSETS

1,782,497.75

TOTAL ASSETS

2,062,270.00

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	5,594.40
-----------	------------------	----------

TOTAL CURRENT LIABILITIES

5,594.40

CAPITAL ACCOUNTS

2235-00-0	DISTRIBUTION	(7,728.90)
2239-00-0	RETAINED EARNINGS	2,096,410.02

TOTAL CAPITAL ACCOUNTS

2,088,681.12

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: June 2005

Page: 2

Original Draft

Date: 9/25/06

Balance  
end of  
June  
2005  
-----

Net Income

(32,005.52)

SUMMARY:

TOTAL ASSETS  
TOTAL LIABILITIES AND CAPITAL  
Net Income

2,062,270.00  
2,094,275.52  
(32,005.52)  
-----

Balance

0

KJI BROADCASTING LLC

Time: 10:34a

BALANCE SHEET

Accounting Period: July 2006

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
July  
2006  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	4,462.96
1106-00-0	ROCKLAND TRUST	8,754.33
1121-00-0	ACCOUNTS RECEIVABLE	48,092.31
1124-65-0	PREPAID NEWS SERVICE	576.55
1128-00-0	PREPAID INSURANCE	(1,328.37)

TOTAL CURRENT ASSETS

60,557.78

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(297,739.78)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	9,097.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(6,025.86)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(5,666.67)

TOTAL FIXED ASSETS

206,248.47

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,756,812.11
-----------	----------------	--------------

TOTAL OTHER ASSETS

1,756,812.11

TOTAL ASSETS

2,023,618.36

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	2,059.08
-----------	------------------	----------

TOTAL CURRENT LIABILITIES

2,059.08

CAPITAL ACCOUNTS

2299-00-0	RETAINED EARNINGS	2,050,526.48
-----------	-------------------	--------------

TOTAL CAPITAL ACCOUNTS

2,050,526.48

LIABILITIES AND CAPITAL

2,052,585.56

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: July 2006

Page: 2

Original Draft

Balance  
end of  
July  
2006  
-----

Net Income

(28,967.20)

SUMMARY:

TOTAL ASSETS

2,023,618.36

TOTAL LIABILITIES AND CAPITAL

2,052,585.56

Net Income

(28,967.20)  
-----

Balance

0

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: August 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
August  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	7,044.45
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	20,037.27
1121-00-0	ACCOUNTS RECEIVABLE	27,087.93
1128-00-0	PREPAID INSURANCE	115.25
1128-50-0	PREPAID HEALTH INSURANCE	(826.75)

TOTAL CURRENT ASSETS

54,465.99

FIXED ASSETS

1150-00-0	BUILDING IMROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(291,140.40)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,495.28)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

TOTAL FIXED ASSETS

215,168.43

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,782,497.75
-----------	----------------	--------------

TOTAL OTHER ASSETS

1,782,497.75

TOTAL ASSETS

2,052,132.17

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	2,429.21
-----------	------------------	----------

TOTAL CURRENT LIABILITIES

2,429.21

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
2299-00-0	RETAINED EARNINGS	2,096,410.02

TOTAL CAPITAL ACCOUNTS

2,088,681.12



KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: August 2005

Page: 2

Original Draft

Date: 9/25/06

Balance  
end of  
August  
2005  
-----

TOTAL LIABILITIES AND CAPITAL

2,091,110.33

Net Income

(38,978.16)

SUMMARY:

TOTAL ASSETS

2,052,132.17

TOTAL LIABILITIES AND CAPITAL

2,091,110.33

Net Income

(38,978.16)  
-----

Balance

0

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: September 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
September  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	12,877.45
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	7,498.44
1121-00-0	ACCOUNTS RECEIVABLE	25,052.71
1123-00-0	TRADE ACCOUNTS RECEIVABLE	5,552.60
1128-50-0	PREPAID HEALTH INSURANCE	(826.75)

TOTAL CURRENT ASSETS

51,162.29

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(291,814.62)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,528.44)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

TOTAL FIXED ASSETS

214,461.05

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,794,497.75
-----------	----------------	--------------

TOTAL OTHER ASSETS

1,794,497.75

TOTAL ASSETS

2,060,121.09

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	4,645.47
-----------	------------------	----------

TOTAL CURRENT LIABILITIES

4,645.47

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
2299-00-0	RETAINED EARNINGS	2,096,410.02

TOTAL CAPITAL ACCOUNTS

2,088,681.12

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:34a  
BALANCE SHEET  
Accounting Period: September 2005

Page: 2

Original Draft

Balance  
end of  
September  
2005  
-----

TOTAL LIABILITIES AND CAPITAL	2,093,326.59
Net Income	(33,205.50)

SUMMARY:	
TOTAL ASSETS	2,060,121.09
TOTAL LIABILITIES AND CAPITAL	2,093,326.59
Net Income	(33,205.50)
	-----
Balance	0

KJI BROADCASTING LLC  
Time: 10:35a  
BALANCE SHEET  
Accounting Period: October 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
October  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	13,422.60
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	14,469.30
1121-00-0	ACCOUNTS RECEIVABLE	26,436.65
1128-00-0	PREPAID INSURANCE	2,418.63
1128-50-0	PREPAID HEALTH INSURANCE	(826.75)

TOTAL CURRENT ASSETS 56,928.27

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(292,488.84)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,561.60)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

TOTAL FIXED ASSETS 213,753.67

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,794,497.75
-----------	----------------	--------------

TOTAL OTHER ASSETS 1,794,497.75

TOTAL ASSETS 2,065,179.69

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	4,767.05
-----------	------------------	----------

TOTAL CURRENT LIABILITIES 4,767.05

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
2299-00-0	RETAINED EARNINGS	2,096,410.02

TOTAL CAPITAL ACCOUNTS 2,088,681.12

KJI BROADCASTING LLC  
Time: 10:35a  
BALANCE SHEET  
Accounting Period: October 2005

Page: 2

Original Draft

Date: 9/25/06

	Balance end of October 2005 -----
TOTAL LIABILITIES AND CAPITAL	2,093,448.17
Net Income	(28,268.48)

SUMMARY:	
TOTAL ASSETS	2,065,179.69
TOTAL LIABILITIES AND CAPITAL	2,093,448.17
Net Income	(28,268.48)
	-----
Balance	0

KJI BROADCASTING LLC  
Time: 10:35a  
BALANCE SHEET  
Accounting Period: November 2005

Page: 1

Original Draft

Date: 9/25/06

Balance  
end of  
November  
2005  
-----

ASSETS

CURRENT ASSETS

1101-00-0	BERKSHIRE BANK CHECKING	7,818.75
1104-00-0	BERK BANK MONEY MARKET	1,007.84
1106-00-0	ROCKLAND TRUST	10,713.99
1121-00-0	ACCOUNTS RECEIVABLE	30,436.46
1128-00-0	PREPAID INSURANCE	2,353.59
1128-50-0	PREPAID HEALTH INSURANCE	(826.75)

TOTAL CURRENT ASSETS

51,503.88

FIXED ASSETS

1150-00-0	BUILDING IMPROVEMENT - CARPET	2,317.50
1151-00-0	ACCUM DEP - CARPET	(2,317.50)
1152-00-0	GOODWILL	40,000.00
1153-00-0	AMORT - GOODWILL	(9,555.57)
1158-00-0	START UP	16,460.06
1159-00-0	AMORT - START UP	(16,460.06)
1160-00-0	WBET LICENSE	200,000.00
1161-00-0	AMORT - WBET LICENSE	(47,777.76)
1168-00-0	STUDIO AND TECHNICAL EQUIP	313,916.19
1169-00-0	ACCUM DEP - STUDIO AND TECH	(293,163.06)
1172-00-0	OFFICE FURNITURE AND EQUIPMEN	6,887.92
1173-00-0	ACCUM DEP - OFFICE FURNITURE	(5,594.76)
1174-00-0	WBET EQUIP RELOCATION	10,000.00
1175-00-0	ACCUM DEPREICATION - TRANSMIT	(1,666.67)

TOTAL FIXED ASSETS

213,046.29

OTHER ASSETS

1180-00-0	INTERCO - WMVY	1,801,842.11
-----------	----------------	--------------

TOTAL OTHER ASSETS

1,801,842.11

TOTAL ASSETS

2,066,392.28

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

2210-00-0	ACCOUNTS PAYABLE	3,020.00
-----------	------------------	----------

TOTAL CURRENT LIABILITIES

3,020.00

CAPITAL ACCOUNTS

2295-00-0	DISTRIBUTION	(7,728.90)
2299-00-0	RETAINED EARNINGS	2,096,410.02

2,088,681.12

KJI BROADCASTING LLC  
Time: 10:35a  
BALANCE SHEET  
Accounting Period: November 2005

Page: 2

Original Draft

Date: 9/25/06

Balance  
end of  
November  
2005  
-----

TOTAL LIABILITIES AND CAPITAL

2,091,701.12

Net Income

(25,308.84)

SUMMARY:

TOTAL ASSETS

2,066,392.28

TOTAL LIABILITIES AND CAPITAL

2,091,701.12

Net Income

(25,308.84)  
-----

Balance

0

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:35a  
PROFIT/LOSS STATEMENT  
Accounting Period: January 2005

Page: 1

Original Draft

	NetChange January 2005	YTD thru end of January 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	18,907.50	18,907.50
TOTAL REVENUE	18,907.50	18,907.50
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	195.00	195.00
4100-00-0 INTEREP COMMISSION	674.86	674.86
4200-00-0 LOCAL COMMISSIONS	4,114.17	4,114.17
TOTAL DIRECT COST ACCOUNTS	4,984.03	4,984.03
GROSS MARGIN	13,923.47	13,923.47
OPERATING EXPENSE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	575.00	575.00
5504-00-0 POWER AND LIGHT	630.33	630.33
5506-00-0 TOWER RENT	2,000.00	2,000.00
TOTAL ENGINEERING	3,205.33	3,205.33
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	6,264.40	6,264.40
6603-00-0 PAYROLL TAXES	796.93	796.93
6614-00-1 ASCAP	94.00	94.00
6614-00-2 BMI	114.61	114.61
6614-00-3 SESAC	72.00	72.00
6650-00-0 NEWS SERVICE	967.84	967.84
TOTAL PROGRAMMING	8,309.78	8,309.78
SALES		
7701-00-0 SALES SALARIES	3,600.00	3,600.00
7705-00-0 PAYROLL TAXES	918.69	918.69
7720-00-0 SALES TRAVEL	250.00	250.00
TOTAL SALES	4,768.69	4,768.69
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	720.00	720.00
8802-00-0 PAYROLL TAXES	91.60	91.60
8803-00-0 PAYROLL FEES	282.49	282.49
8806-00-0 PERSONAL PROPERTY TAX	490.70	490.70
8811-00-0 RENT	1,390.48	1,390.48
8816-00-0 TELEPHONE	1,491.66	1,491.66



KJI BROADCASTING LLC  
Time: 10:35a  
PROFIT/LOSS STATEMENT  
Accounting Period: January 2005

Page: 2

Date: 9/25/06

Original Draft

	NetChange January 2005	YTD thru end of January 2005
8623-00-0 POSTAGE	67.04	67.04
8828-00-0 GENERAL INSURANCE	365.00	365.00
8830-00-0 DUES AND SUBSCRIPTIONS	142.50	142.50
8832-00-0 HEALTH INSURANCE	823.62	823.62
8836-00-0 BANK FEES	12.00	12.00
8637-00-0 VISA FEES	7.50	7.50
TOTAL ADMINISTRATIVE	6,193.59	6,193.59
TOTAL OPERATING EXPENSESE	22,477.39	22,477.39
CASH FLOW	(8,553.92)	(8,553.92)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(8,484.40)	(8,484.40)
8860-00-0 TRADE CREDITS AND DISCOUNTS	8,484.40	8,484.40
9600-00-0 INTEREST INCOME	(9.07)	(9.07)
9700-00-0 DEPRECIATION	707.49	707.49
TOTAL OTHER INCOME AND EXPENSE	698.42	698.42
Net Income	(9,252.34)	(9,252.34)
SUMMARY:		
CASH FLOW	(8,553.92)	(8,553.92)
Net Income	(9,252.34)	(9,252.34)

KJI BROADCASTING LLC  
Time: 10:41a  
PROFIT/LOSS STATEMENT  
Accounting Period: February 2005

Page: 1

Original Draft

Date: 9/25/06

	NetChange February 2005	YTD thru end of February 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	19,837.50	38,745.00
3100-00-0 AGENCY SALES	1,670.00	1,670.00
TOTAL REVENUE	21,507.50	40,415.00
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	232.50	427.50
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	4,081.24	8,195.41
TOTAL DIRECT COST ACCOUNTS	4,313.74	9,297.77
GROSS MARGIN	17,193.76	31,117.23
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	0	575.00
5501-00-0 CONTRACT PROJECTS	275.00	275.00
5504-00-0 POWER AND LIGHT	485.85	1,116.18
5506-00-0 TOWER RENT	2,000.00	4,000.00
TOTAL ENGINEERING	2,760.85	5,966.18
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	6,100.40	12,364.80
6603-00-0 PAYROLL TAXES	776.02	1,572.95
6614-00-1 ASCAP	94.00	188.00
6614-00-2 BMI	114.61	229.22
6614-00-3 SESAC	72.00	144.00
6650-00-0 NEWS SERVICE	998.84	1,966.68
TOTAL PROGRAMMING	8,155.87	16,465.65
SALES		
7701-00-0 SALES SALARIES	3,600.00	7,200.00
7705-00-0 PAYROLL TAXES	914.48	1,833.17
7720-00-0 SALES TRAVEL	200.00	450.00
TOTAL SALES	4,714.48	9,483.17
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	1,320.00	2,040.00
8802-00-0 PAYROLL TAXES	167.92	259.52
8803-00-0 PAYROLL FEES	141.25	423.74
8804-00-0 PROPERTY TAX	0	490.70

KJI BROADCASTING LLC  
Time: 10:41a  
PROFIT/LOSS STATEMENT  
Accounting Period: February 2005

Page: 2

Date: 9/25/06

Original Draft

	NetChange February 2005	YTD thru end of February 2005
8816-00-0 TELEPHONE	1,575.01	3,066.67
8817-00-0 PROFESSIONAL SERVICES	3,000.00	3,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	0	309.00
8823-00-0 POSTAGE	0	67.04
8824-00-0 OFFICE SUPPLIES	337.84	337.84
8828-00-0 GENERAL INSURANCE	365.00	730.00
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	222.50
8832-00-0 HEALTH INSURANCE	823.62	1,647.24
8836-00-0 BANK FEES	0	12.00
8837-00-0 VISA FEES	7.50	15.00
TOTAL ADMINISTRATIVE	9,208.62	15,402.21
TOTAL OPERATING EXPENSESE	24,839.82	47,317.21
CASH FLOW	(7,646.06)	(16,199.98)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(6,920.20)	(15,404.60)
8860-00-0 TRADE CREDITS AND DISCOUNTS	6,920.20	15,404.60
9600-00-0 INTEREST INCOME	(4.44)	(13.51)
9700-00-0 DEPRECIATION	707.38	1,414.87
TOTAL OTHER INCOME AND EXPENSE	702.94	1,401.36
Net Income	(8,349.00)	(17,601.34)
SUMMARY:		
CASH FLOW	(7,646.06)	(16,199.98)
Net Income	(8,349.00)	(17,601.34)

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:41a  
PROFIT/LOSS STATEMENT  
Accounting Period: March 2005

Page: 1

Original Draft

	NetChange March 2005 -----	YTD thru end of March 2005 -----
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	23,222.50	61,967.50
3100-00-0 AGENCY SALES	3,760.00	5,430.00
	-----	-----
TOTAL REVENUE	26,982.50	67,397.50
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	339.00	766.50
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	4,280.59	12,476.00
	-----	-----
TOTAL DIRECT COST ACCOUNTS	4,619.59	13,917.36
GROSS MARGIN	22,362.91	53,480.14
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	1,025.00	1,600.00
5501-00-0 CONTRACT PROJECTS	0	275.00
5504-00-0 POWER AND LIGHT	583.47	1,699.65
5506-00-0 TOWER RENT	2,000.00	6,000.00
	-----	-----
TOTAL ENGINEERING	3,608.47	9,574.65
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	6,213.40	18,578.20
6603-00-0 PAYROLL TAXES	790.38	2,363.33
6614-00-1 ASCAP	188.00	376.00
6614-00-2 BMI	114.61	343.83
6614-00-3 SESAC	73.08	217.08
6650-00-0 NEWS SERVICE	998.84	2,965.52
	-----	-----
TOTAL PROGRAMMING	8,378.31	24,843.96
SALES		
7701-00-0 SALES SALARIES	4,400.00	11,600.00
7705-00-0 PAYROLL TAXES	1,020.13	2,853.30
7720-00-0 SALES TRAVEL	0	450.00
	-----	-----
TOTAL SALES	5,420.13	14,903.30
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	1,320.00	3,360.00
8802-00-0 PAYROLL TAXES	167.92	427.44
8803-00-0 PAYROLL FEES	142.50	566.24
8804-00-0 FREIGHT PROPERTY TAX	0	490.70

KJI BROADCASTING LLC  
Time: 10:41a  
PROFIT/LOSS STATEMENT  
Accounting Period: March 2005

Page: 2

Date: 9/25/06

Original Draft

	NetChange March 2005	YTD thru end of March 2005
8816-00-0 TELEPHONE	1,524.85	4,591.52
8817-00-0 PROFESSIONAL SERVICES	3,000.00	6,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	309.00	618.00
8823-00-0 POSTAGE	0	67.04
8824-00-0 OFFICE SUPPLIES	0	337.84
8828-00-0 GENERAL INSURANCE	365.00	1,095.00
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	302.50
8832-00-0 HEALTH INSURANCE	761.93	2,409.17
8836-00-0 BANK FEES	3.00	15.00
8837-00-0 VISA FEES	7.50	22.50
TOTAL ADMINISTRATIVE	9,072.18	24,474.39
TOTAL OPERATING EXPENSESE	26,479.09	73,796.30
CASH FLOW	(4,116.18)	(20,316.16)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(7,192.50)	(22,597.10)
8860-00-0 TRADE CREDITS AND DISCOUNTS	7,621.70	23,026.30
9600-00-0 INTEREST INCOME	(10.34)	(23.85)
9700-00-0 DEPRECIATION	707.38	2,122.25
TOTAL OTHER INCOME AND EXPENSE	1,126.24	2,527.60
Net Income	(5,242.42)	(22,843.76)
SUMMARY:		
CASH FLOW	(4,116.18)	(20,316.16)
Net Income	(5,242.42)	(22,843.76)

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: April 2005

Page: 1

Original Draft

	NetChange April 2005	YTD thru end of April 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	22,016.50	83,984.00
3100-00-0 AGENCY SALES	2,746.60	8,176.60
TOTAL REVENUE	24,763.10	92,160.60
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	342.75	1,109.25
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	3,828.88	16,304.88
TOTAL DIRECT COST ACCOUNTS	4,171.63	18,088.99
GROSS MARGIN	20,591.47	74,071.61
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	650.00	2,250.00
5501-00-0 CONTRACT PROJECTS	0	275.00
5504-00-0 POWER AND LIGHT	476.87	2,176.52
5506-00-0 TOWER RENT	2,000.00	8,000.00
5518-00-0 PARTS	(194.27)	(194.27)
TOTAL ENGINEERING	2,932.60	12,507.25
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	5,801.40	24,379.60
6603-00-0 PAYROLL TAXES	737.96	3,101.29
6614-00-1 ASCAP	44.00	420.00
6614-00-2 BMI	114.61	458.44
6614-00-3 SESAC	72.00	289.08
6650-00-0 NEWS SERVICE	998.84	3,964.36
6652-00-0 INTERNET EXPENSE	12.00	12.00
TOTAL PROGRAMMING	7,780.81	32,624.77
SALES		
7701-00-0 SALES SALARIES	4,000.00	15,600.00
7705-00-0 PAYROLL TAXES	894.34	3,747.64
7720-00-0 SALES TRAVEL	200.00	650.00
TOTAL SALES	5,094.34	19,997.64
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	1,140.00	4,500.00
8802-00-0 PAYROLL TAXES	200.09	627.53

KJI BROADCASTING LLC  
 Time: 10:42a  
 PROFIT/LOSS STATEMENT  
 Accounting Period: April 2005

Date: 9/25/06

Page: 2

Original Draft

	NetChange April 2005	YTD thru end of April 2005
8806--00-0 PERSONAL PROPERTY TAX	0	490.70
8811--00-0 RENT	1,390.48	5,561.92
8816--00-0 TELEPHONE	1,379.10	5,970.62
8817--00-0 PROFESSIONAL SERVICES	0	6,000.00
8822--00-0 COMPUTER SUPPLIES AND SERVICE	358.30	976.30
8823--00-0 POSTAGE	327.60	394.64
8824--00-0 OFFICE SUPPLIES	0	337.84
8828--00-0 GENERAL INSURANCE	365.00	1,460.00
8830--00-0 DUES AND SUBSCRIPTIONS	80.00	382.50
8832--00-0 HEALTH INSURANCE	823.62	3,232.79
8836--00-0 BANK FEES	100.00	115.00
8837--00-0 VISA FEES	7.50	30.00
TOTAL ADMINISTRATIVE	6,309.19	30,783.58
TOTAL OPERATING EXPENSESE	22,116.94	95,913.24
CASH FLOW	(1,525.47)	(21,841.63)
OTHER INCOME AND EXPENSES		
8852--00-0 TRADE SALES	(8,505.95)	(31,103.05)
8860--00-0 TRADE CREDITS AND DISCOUNTS	8,585.95	31,612.25
9400--00-0 LEGAL	888.30	888.30
9600--00-0 INTEREST INCOME	(1.55)	(25.40)
9700--00-0 DEPRECIATION	707.38	2,829.63
TOTAL OTHER INCOME AND EXPENSE	1,674.13	4,201.73
Net Income	(3,199.60)	(26,043.36)
SUMMARY:		
CASH FLOW	(1,525.47)	(21,841.63)
Net Income	(3,199.60)	(26,043.36)

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: May 2005

Date: 9/25/06

Page: 1

Original Draft

	NetChange May 2005	YTD thru end of May 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	28,355.50	112,339.50
3100-00-0 AGENCY SALES	4,158.60	12,335.20
TOTAL REVENUE	32,514.10	124,674.70
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	559.50	1,660.75
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	4,044.35	20,349.23
TOTAL DIRECT COST ACCOUNTS	4,603.85	22,692.84
GROSS MARGIN	27,910.25	101,981.86
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	575.00	2,825.00
5501-00-0 CONTRACT PROJECTS	0	275.00
5504-00-0 POWER AND LIGHT	978.30	3,154.82
5506-00-0 TOWER RENT	2,000.00	10,000.00
5518-00-0 PARTS	0	(194.27)
TOTAL ENGINEERING	3,553.30	16,060.55
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	5,713.60	30,093.20
6603-00-0 PAYROLL TAXES	726.83	3,828.12
6614-00-1 ASCAP	104.00	524.00
6614-00-2 BMI	114.61	573.05
6614-00-3 SESAC	72.00	361.08
6650-00-0 NEWS SERVICE	998.84	4,963.20
6652-00-0 INTERNET EXPENSE	0	12.00
TOTAL PROGRAMMING	7,729.88	40,354.65
SALES		
7701-00-0 SALES SALARIES	3,600.00	19,200.00
7705-00-0 PAYROLL TAXES	724.73	4,472.37
7720-00-0 SALES TRAVEL	250.00	900.00
TOTAL SALES	4,574.73	24,572.37
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	960.00	5,460.00
	122.12	749.65



Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: May 2005

Page: 2

Original Draft

	NetChange May 2005	YTD thru end of May 2005
8806-00-0 PERSONAL PROPERTY TAX	0	490.70
8811-00-0 RENT	1,390.48	6,952.40
8816-00-0 TELEPHONE	1,432.43	7,403.05
8817-00-0 PROFESSIONAL SERVICES	0	6,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	0	976.30
8823-00-0 POSTAGE	12.31	406.95
8824-00-0 OFFICE SUPPLIES	0	337.84
8828-00-0 GENERAL INSURANCE	365.00	1,825.00
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	462.50
8832-00-0 HEALTH INSURANCE	882.26	4,115.05
8836-00-0 BANK FEES	(88.00)	27.00
8837-00-0 VISA FEES	7.50	37.50
TOTAL ADMINISTRATIVE	5,297.60	36,081.18
TOTAL OPERATING EXPENSESE	21,155.51	117,068.75
CASH FLOW	6,754.74	(15,086.89)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(9,271.35)	(40,374.40)
8860-00-0 TRADE CREDITS AND DISCOUNTS	9,271.35	40,883.60
9400-00-0 LEGAL	60.00	948.30
9600-00-0 INTEREST INCOME	(1.59)	(26.99)
9700-00-0 DEPRECIATION	707.38	3,537.01
TOTAL OTHER INCOME AND EXPENSE	765.79	4,967.52
Net Income	5,988.95	(20,054.41)
SUMMARY:		
CASH FLOW	6,754.74	(15,086.89)
Net Income	5,988.95	(20,054.41)

KJI BROADCASTING LLC  
 Time: 10:42a  
 PROFIT/LOSS STATEMENT  
 Accounting Period: June 2005  
 Page: 1  
 Original Draft

	NetChange June 2005	YTD thru end of June 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	26,498.50	138,838.00
3100-00-0 AGENCY SALES	3,448.60	15,783.80
TOTAL REVENUE	29,947.10	154,621.80
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	453.00	2,121.75
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	3,643.41	23,992.64
TOTAL DIRECT COST ACCOUNTS	4,096.41	26,789.25
GROSS MARGIN	25,850.69	127,832.55
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	900.00	3,725.00
5501-00-0 CONTRACT PROJECTS	877.60	1,152.60
5504-00-0 POWER AND LIGHT	572.81	3,727.63
5506-00-0 TOWER RENT	2,000.00	12,000.00
5518-00-0 PARTS	0	(194.27)
TOTAL ENGINEERING	4,350.41	20,410.96
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	5,487.10	35,580.30
6603-00-0 PAYROLL TAXES	682.10	4,510.22
6614-00-1 ASCAP	204.00	728.00
6614-00-2 BMI	114.61	687.66
6614-00-3 SESAC	72.00	433.08
6650-00-0 NEWS SERVICE	998.84	5,962.04
6652-00-0 INTERNET EXPENSE	0	12.00
TOTAL PROGRAMMING	7,558.65	47,913.30
SALES		
7701-00-0 SALES SALARIES	3,600.00	22,800.00
7705-00-0 PAYROLL TAXES	668.28	5,140.65
7720-00-0 SALES TRAVEL	200.00	1,100.00
7721-00-0 DUES	116.00	116.00
TOTAL SALES	4,584.28	29,156.65
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	960.00	6,420.00

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: June 2005

Page: 2

Original Draft

	NetChange June 2005	YTD thru end of June 2005
8803-00-0 PAYROLL FEES	132.25	969.49
8806-00-0 PERSONAL PROPERTY TAX	0	490.70
8811-00-0 RENT	1,390.48	8,342.88
8816-00-0 TELEPHONE	1,412.81	8,815.86
8817-00-0 PROFESSIONAL SERVICES	0	6,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	0	976.30
8823-00-0 POSTAGE	250.00	656.95
8824-00-0 OFFICE SUPPLIES	0	337.84
8828-00-0 GENERAL INSURANCE	365.00	2,190.00
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	542.50
8832-00-0 HEALTH INSURANCE	0.29	4,115.34
8836-00-0 BANK FEES	0	27.00
8837-00-0 VISA FEES	7.50	45.00
TOTAL ADMINISTRATIVE	4,720.45	40,801.63
TOTAL OPERATING EXPENSESE	21,213.79	138,282.54
CASH FLOW	4,636.90	(10,449.99)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(9,347.15)	(49,721.55)
8860-00-0 TRADE CREDITS AND DISCOUNTS	8,837.95	49,721.55
9400-00-0 LEGAL	2,392.50	3,340.80
9600-00-0 INTEREST INCOME	(2.67)	(29.66)
9700-00-0 DEPRECIATION	707.38	4,244.39
9800-10-0 SETTLEMENT - AMER MEDIA PARTN	14,000.00	14,000.00
TOTAL OTHER INCOME AND EXPENSE	16,588.01	21,555.53
Net Income	(11,951.11)	(32,005.52)
SUMMARY:		
CASH FLOW	4,636.90	(10,449.99)
Net Income	(11,951.11)	(32,005.52)

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: July 2005

Page: 1

Date: 9/25/06

Original Draft

	NetChange July 2005	YTD thru end of July 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	29,836.50	168,674.50
3100-00-0 AGENCY SALES	2,993.60	18,777.40
TOTAL REVENUE	32,830.10	187,451.90
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	384.75	2,506.50
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	5,808.75	29,801.39
TOTAL DIRECT COST ACCOUNTS	6,193.50	32,982.75
GROSS MARGIN	26,636.60	154,469.15
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	1,000.00	4,725.00
5501-00-0 CONTRACT PROJECTS	0	1,152.60
5504-00-0 POWER AND LIGHT	682.04	4,409.67
5506-00-0 TOWER RENT	2,000.00	14,000.00
5518-00-0 PARTS	0	(194.27)
TOTAL ENGINEERING	3,682.04	24,093.00
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	8,683.90	44,264.20
6603-00-0 PAYROLL TAXES	1,087.91	5,598.13
6614-00-1 ASCAP	0	728.00
6614-00-2 BMI	114.61	802.27
6614-00-3 SESAC	72.00	505.08
6650-00-0 NEWS SERVICE	781.49	6,743.53
6652-00-0 INTERNET EXPENSE	0	12.00
TOTAL PROGRAMMING	10,739.91	58,653.21
SALES		
7701-00-0 SALES SALARIES	6,600.00	29,400.00
7705-00-0 PAYROLL TAXES	1,150.56	6,291.21
7720-00-0 SALES TRAVEL	250.00	1,350.00
7721-00-0 DUES	(116.00)	0
TOTAL SALES	7,884.56	37,041.21
ADMINISTRATIVE		
ADMINISTRATIVE SALARIES	1,440.00	7,860.00

## KJI BROADCASTING LLC

Time: 10:42a

Page: 2

Date: 9/25/06

## PROFIT/LOSS STATEMENT

Accounting Period: July 2005

Original Draft

	NetChange July 2005	YTD thru end of July 2005
8803-00-0 PAYROLL FEES	245.12	1,214.61
8806-00-0 PERSONAL PROPERTY TAX	0	490.70
8807-00-0 CORP TAXES AND FEES	500.00	500.00
8811-00-0 RENT	1,390.48	9,733.36
8816-00-0 TELEPHONE	1,578.43	10,394.29
8817-00-0 PROFESSIONAL SERVICES	0	6,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	309.00	1,285.30
8823-00-0 POSTAGE	0	656.95
8824-00-0 OFFICE SUPPLIES	377.26	715.10
8828-00-0 GENERAL INSURANCE	365.00	2,555.00
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	622.50
8832-00-0 HEALTH INSURANCE	1,296.76	5,412.10
8836-00-0 BANK FEES	0	27.00
8837-00-0 VISA FEES	7.50	52.50
TOTAL ADMINISTRATIVE	7,772.73	48,574.36
TOTAL OPERATING EXPENSESE	30,079.24	168,361.78
CASH FLOW	(3,442.64)	(13,892.63)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(11,926.20)	(61,647.75)
8860-00-0 TRADE CREDITS AND DISCOUNTS	10,813.80	60,535.35
9400-00-0 LEGAL	0	3,340.80
9600-00-0 INTEREST INCOME	(1.60)	(31.26)
9700-00-0 DEPRECIATION	707.38	4,951.77
9900-10-0 SETTLEMENT - AMER MEDIA PARTN	0	14,000.00
TOTAL OTHER INCOME AND EXPENSE	(406.62)	21,148.91
Net Income	(3,036.02)	(35,041.54)
SUMMARY:		
CASH FLOW	(3,442.64)	(13,892.63)
Net Income	(3,036.02)	(35,041.54)

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: August 2005

Page: 1

Original Draft

	NetChange August 2005	YTD thru end of August 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	26,675.00	195,349.50
3100-00-0 AGENCY SALES	281.60	19,059.00
TOTAL REVENUE	26,956.60	214,408.50
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	0	2,506.50
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	4,246.55	34,047.94
TOTAL DIRECT COST ACCOUNTS	4,246.55	37,229.30
GROSS MARGIN	22,710.05	177,179.20
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	425.00	5,150.00
5501-00-0 CONTRACT PROJECTS	0	1,152.60
5504-00-0 POWER AND LIGHT	712.25	5,121.92
5506-00-0 TOWER RENT	2,000.00	16,000.00
5518-00-0 PARTS	0	(194.27)
TOTAL ENGINEERING	3,137.25	27,230.25
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	5,436.60	49,760.80
6603-00-0 PAYROLL TAXES	608.02	6,286.15
6614-00-1 ASCAP	104.00	832.00
6614-00-2 BMI	114.61	916.88
6614-00-3 SESAC	72.00	577.08
6630-00-0 NEWS SERVICE	564.14	7,307.67
6632-00-0 INTERNET EXPENSE	0	12.00
TOTAL PROGRAMMING	7,039.37	65,692.58
SALES		
7701-00-0 SALES SALARIES	4,400.00	33,800.00
7705-00-0 PAYROLL TAXES	743.19	7,034.40
7720-00-0 SALES TRAVEL	200.00	1,550.00
TOTAL SALES	5,343.19	42,384.40
ADMINISTRATIVE		
8801-00-0 ADMINISTRATIVE SALARIES	1,042.50	8,902.50
8802-00-0 PAYROLL TAXES	132.61	1,187.56

Date: 9/25/06

KJI BROADCASTING LLC  
Time: 10:42a  
PROFIT/LOSS STATEMENT  
Accounting Period: August 2005

Page: 2

Original Draft

	NetChange August 2005	YTD thru end of August 2005
8806-00-0 PERSONAL PROPERTY TAX	0	490.70
8807-00-0 CORP TAXES AND FEES	1,960.00	2,460.00
8811-00-0 RENT	1,390.48	11,123.84
8816-00-0 TELEPHONE	1,639.89	12,034.18
8817-00-0 PROFESSIONAL SERVICES	0	6,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	0	1,285.30
8823-00-0 POSTAGE	0	656.95
8824-00-0 OFFICE SUPPLIES	0	715.10
8826-00-0 BAD DEBT	1,696.15	1,696.15
8828-00-0 GENERAL INSURANCE	365.00	2,920.00
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	702.50
8832-00-0 HEALTH INSURANCE	851.59	6,263.69
8836-00-0 BANK FEES	12.00	39.00
8837-00-0 VISA FEES	7.50	60.00
TOTAL ADMINISTRATIVE	9,308.72	57,883.08
TOTAL OPERATING EXPENSESE	24,828.53	193,190.31
CASH FLOW	(2,118.48)	(16,011.11)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(9,778.95)	(71,426.70)
8860-00-0 TRADE CREDITS AND DISCOUNTS	10,891.35	71,426.70
9400-00-0 LEGAL	0	3,340.80
9600-00-0 INTEREST INCOME	(1.64)	(32.90)
9700-00-0 DEPRECIATION	707.38	5,659.15
9800-10-0 SETTLEMENT - AMER MEDIA PARTN	0	14,000.00
TOTAL OTHER INCOME AND EXPENSE	1,818.14	22,967.05
Net Income	(3,936.62)	(38,978.16)
SUMMARY:		
CASH FLOW	(2,118.48)	(16,011.11)
Net Income	(3,936.62)	(38,978.16)

KJI BROADCASTING LLC

Date: 9/25/06

Time: 10:46a

Page: 1

PROFIT/LOSS STATEMENT

Accounting Period: September 2005

Original Draft

	NetChange September 2005	YTD thru end of September 2005
REVENUE		
REVENUE		
3000-00-0 LOCAL SALES	29,383.00	224,732.50
3100-00-0 AGENCY SALES	147.00	19,206.00
3300-00-0 POLITICAL INCOME	500.00	500.00
TOTAL REVENUE	30,030.00	244,438.50
DIRECT COST ACCOUNTS		
4000-00-0 AGENCY DISCOUNTS	22.05	2,528.55
4100-00-0 INTEREP COMMISSION	0	674.86
4200-00-0 LOCAL COMMISSIONS	4,189.80	38,237.74
TOTAL DIRECT COST ACCOUNTS	4,211.85	41,441.15
GROSS MARGIN	25,818.15	202,997.35
OPERATING EXPENSESE		
ENGINEERING		
5500-00-0 CONTRACT ENGINEER	200.00	5,350.00
5501-00-0 CONTRACT PROJECTS	0	1,152.60
5504-00-0 POWER AND LIGHT	741.67	5,863.59
5506-00-0 TOWER RENT	2,000.00	10,000.00
5518-00-0 PARTS	0	(194.27)
TOTAL ENGINEERING	2,941.67	30,171.92
PROGRAMMING		
6601-00-0 PROGRAMMING SALARIES	5,600.10	55,360.90
6603-00-0 PAYROLL TAXES	696.07	6,982.22
6614-00-1 ASCAP	208.00	1,040.00
6614-00-2 BMI	114.61	1,031.49
6614-00-3 SESAC	72.00	649.08
6630-00-0 NEWS SERVICE	1,188.22	8,495.89
6652-00-0 INTERNET EXPENSE	0	12.00
TOTAL PROGRAMMING	7,879.00	73,571.58
SALES		
7701-00-0 SALES SALARIES	4,000.00	37,800.00
7705-00-0 PAYROLL TAXES	647.25	7,681.65
7710-00-0 SALES TRAVEL	200.00	1,750.00
TOTAL SALES	4,847.25	47,231.65
ADMINISTRATIVE		
3801-00-0 ADMINISTRATIVE SALARIES	960.00	9,862.50



## KJI BROADCASTING LLC

Date: 9/25/06

Time: 10:46a

Page: 2

## PROFIT/LOSS STATEMENT

Accounting Period: September 2005

Original Draft

	NetChange September 2005	YTD thru end of September 2005
8803-00-0 PAYROLL FEES	135.25	1,480.86
8806-00-0 PERSONAL PROPERTY TAX	33.65	524.35
8807-00-0 CORP TAXES AND FEES	0	2,460.00
8811-00-0 RENT	1,390.48	12,514.32
8816-00-0 TELEPHONE	1,855.87	13,890.05
8817-00-0 PROFESSIONAL SERVICES	0	6,000.00
8822-00-0 COMPUTER SUPPLIES AND SERVICE	309.00	1,594.30
8823-00-0 POSTAGE	46.43	703.38
8824-00-0 OFFICE SUPPLIES	106.73	821.83
8826-00-0 BAD DEBT	570.00	2,266.15
8828-00-0 GENERAL INSURANCE	115.25	3,035.25
8830-00-0 DUES AND SUBSCRIPTIONS	80.00	782.50
8832-00-0 HEALTH INSURANCE	1,678.34	7,942.03
8836-00-0 BANK FEES	12.00	51.00
8837-00-0 VISA FEES	7.50	67.50
TOTAL ADMINISTRATIVE	7,450.29	65,333.37
TOTAL OPERATING EXPENSESE	23,118.21	216,308.52
CASH FLOW	2,699.94	(13,311.17)
OTHER INCOME AND EXPENSES		
8852-00-0 TRADE SALES	(5,552.60)	(76,979.30)
8860-00-0 TRADE CREDITS AND DISCOUNTS	0	71,426.70
9400-00-0 LEGAL	772.50	4,113.30
9600-00-0 INTEREST INCOME	0	(32.90)
9700-00-0 DEPRECIATION	707.38	6,366.53
9800-10-0 SETTLEMENT - AMER MEDIA PARTN	0	14,000.00
9800-50-0 CHARITABLE CONTRIBUTIONS	1,000.00	1,000.00
TOTAL OTHER INCOME AND EXPENSE	(3,072.72)	19,894.33
Net Income	5,772.66	(33,205.50)
SUMMARY:		
CASH FLOW	2,699.94	(13,311.17)
Net Income	5,772.66	(33,205.50)

## **EXHIBIT L**

*Family Broadcasting Group, Inc.*  
*Brady Brus*  
*President and CEO*  
*405-631-7335*

*Brill Media*  
*Alan R. Brill*  
*President and CEO*  
*812-423-6200*

*Cenla Broadcasting Company, Inc.*  
*Taylor Thompson*  
*President*  
*318-445-1234*

*Cranston II, LLC*  
*Barbara Laurence*  
*305-608-8669 (if she asks how you got her #, tell her out of the BIA)*

*I.L. Film Distributors Ltd.*

*New Multi Ag Media, Inc.*

*Spanish Broadcasting Systems, Inc.*  
*Raul Alarcon*  
*President and CEO*  
*305-441-6901*

*Astra Media Group, Inc.*  
*Steven Newman*  
*President and CEO*  
*646-723-3347*

**BARKER  
CAPITAL**

## **BC MEDIA FUNDING COMPANY II, L.P.**

# Confidential Private Placement Memorandum

Copy No. \_\_\_\_\_

**October 2007**

## FORWARD-LOOKING STATEMENTS

THIS MEMORANDUM INCLUDES "FORWARD-LOOKING STATEMENTS." IN SOME CASES, YOU CAN IDENTIFY FORWARD-LOOKING STATEMENTS BY TERMINOLOGY SUCH AS "ANTICIPATES," "BELIEVES," "ESTIMATES;" "SEEKS," "EXPECTS," "PLANS," "WILL," "INTENDS" AND SIMILAR EXPRESSIONS. ALTHOUGH BC MEDIA FUNDING COMPANY, LLC (THE "GENERAL PARTNER") BELIEVES THAT THE EXPECTATIONS REFLECTED IN THESE FORWARD-LOOKING STATEMENTS ARE REASONABLE AS OF THE DATE OF THIS MEMORANDUM, SUCH EXPECTATIONS MAY PROVE TO BE INCORRECT. IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM SUCH EXPECTATIONS INCLUDE, WITHOUT LIMITATION, THE FAILURE OF THE GENERAL PARTNER TO RAISE SUFFICIENT CAPITAL FOR THE FUND AND GENERAL ECONOMIC AND MARKET CONDITIONS. FOR INFORMATION ABOUT SOME OF THE FACTORS THAT COULD CAUSE THE FUND'S ACTUAL RESULTS TO DIFFER FROM THE EXPECTATIONS STATED IN THE FORWARD-LOOKING STATEMENTS, SEE THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 26 OF THIS MEMORANDUM. THE GENERAL PARTNER URGES INVESTORS TO CONSIDER THOSE FACTORS CAREFULLY IN EVALUATING THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS MEMORANDUM.

ALL SUBSEQUENT WRITTEN OR ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE GENERAL PARTNER OR ANY PERSONS ACTING ON BEHALF OF THE GENERAL PARTNER ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THESE CAUTIONARY STATEMENTS. THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS MEMORANDUM ARE MADE ONLY AS OF THE DATE OF THIS MEMORANDUM. THE GENERAL PARTNER AND ITS MANAGEMENT DO NOT INTEND, AND UNDERTAKE NO OBLIGATION, TO UPDATE THESE FORWARD-LOOKING STATEMENTS.

## NOTICES

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PROSPECTIVE INVESTORS INTERESTED IN THE PROPOSED PRIVATE PLACEMENT OF LIMITED PARTNERSHIP INTERESTS (THE "LIMITED PARTNERSHIP INTERESTS") IN BC MEDIA FUNDING COMPANY II, L.P. (THE "FUND"). DISTRIBUTION TO PERSONS OTHER THAN SUCH PROSPECTIVE INVESTORS AND PERSONS RETAINED TO ADVISE SUCH INVESTOR(S) IS UNAUTHORIZED. ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR PART, OR DIVULGENCE OF ANY CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE GENERAL PARTNER IS PROHIBITED. EACH PROSPECTIVE INVESTOR, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO RETURN IT AND ALL OTHER DOCUMENTS RECEIVED IN CONNECTION WITH THIS OFFERING IF: (i) SUCH PROSPECTIVE INVESTOR DOES NOT SUBSCRIBE FOR THE PURCHASE OF LIMITED PARTNERSHIP INTERESTS; (ii) THE PROSPECTIVE INVESTOR'S SUBSCRIPTION IS NOT ACCEPTED; OR (iii) THE OFFERING IS TERMINATED.

NO PERSON IS AUTHORIZED TO MAKE ANY STATEMENTS OR GIVE ANY INFORMATION CONCERNING THE FUND, THE LIMITED PARTNERSHIP INTERESTS OR OTHERWISE, OTHER THAN AS SET FORTH IN THIS MEMORANDUM AND RELATED APPENDICES REFERENCED HEREIN. ANY SUCH STATEMENT OR INFORMATION, IF GIVEN OR MADE, MUST NOT BE RELIED UPON. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND, THE LIMITED PARTNERSHIP INTERESTS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND

RISKS INVOLVED. THE LIMITED PARTNERSHIP INTERESTS OFFERED HEREBY AND DISCUSSED HEREIN HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY IN ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH STATE OR JURISDICTION. THIS MEMORANDUM DOES NOT CONSTITUTE AN OBLIGATION OR COMMITMENT ON THE PART OF THE FUND OR ANY OTHER PARTY TO CONSUMMATE ANY OF THE TRANSACTIONS CONTEMPLATED HEREUNDER, INCLUDING WITHOUT LIMITATION, THE OFFER AND SALE OF LIMITED PARTNERSHIP INTERESTS.

AN INVESTMENT IN THE LIMITED PARTNERSHIP INTERESTS WILL REQUIRE THE FINANCIAL ABILITY TO ACCEPT A LACK OF LIQUIDITY. THE FUND INTENDS TO INVEST IN SMALL AND MID-CAP MEDIA COMPANIES THAT ARE TYPICALLY VIEWED AS A HIGH RISK INVESTMENT. AN INVESTMENT IN THE LIMITED PARTNERSHIP INTERESTS OFFERED HEREBY IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS WHO HAVE NO NEED FOR LIQUIDITY IN THIS INVESTMENT AND WHO HAVE SUFFICIENT OTHER FINANCIAL RESOURCES TO PROVIDE FOR THEIR ANNUAL NEEDS AND CONTINGENCIES. **FOR A DISCUSSION OF THE RISKS CONCERNING AN INVESTMENT IN THE LIMITED PARTNERSHIP INTERESTS, PLEASE SEE "RISK FACTORS" BEGINNING ON PAGE 26 OF THIS MEMORANDUM.**

IN ADDITION, THE LIMITED PARTNERSHIP INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (AS AMENDED, THE "SECURITIES ACT"), THE SECURITIES LAWS OF ANY STATE OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, NOR IS SUCH REGISTRATION CONTEMPLATED. THE FUND IS NOT REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940 (AS AMENDED, THE "INVESTMENT COMPANY ACT") AND THE GENERAL PARTNER IS NOT REGISTERED UNDER THE U.S. INVESTMENT ADVISERS ACT OF 1940 (AS AMENDED, THE "INVESTMENT ADVISERS ACT"). THERE IS NO PUBLIC MARKET FOR THE LIMITED PARTNERSHIP INTERESTS, AND NO SUCH MARKET IS EXPECTED TO DEVELOP IN THE FUTURE. THE LIMITED PARTNERSHIP INTERESTS ARE BEING OFFERED AND SOLD IN THE UNITED STATES UNDER SECTION 4(2) OF THE SECURITIES ACT AND REGULATION D PROMULGATED THEREUNDER AS WELL AS OTHER SIMILAR EXEMPTIONS IN THE LAWS OF THE STATES AND JURISDICTIONS WHERE THE OFFERING WILL BE MADE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. IN ADDITION, THESE SECURITIES MAY NOT BE TRANSFERRED WITHOUT THE CONSENT OF THE GENERAL PARTNER IN ITS SOLE DISCRETION. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THIS MEMORANDUM DOES NOT PURPORT TO CONTAIN ALL OF THE INFORMATION NECESSARY TO EVALUATE AN INVESTMENT IN THE LIMITED PARTNERSHIP INTERESTS OFFERED HEREBY, AND IT IS UNDERSTOOD THAT EACH INVESTOR WILL MAKE HIS, HER OR ITS OWN INDEPENDENT INVESTIGATION INTO THE MERITS AND RISKS OF INVESTING IN THE FUND AND ARRIVE AT AN

INDEPENDENT EVALUATION OF SUCH INVESTMENT. INVESTORS SHOULD CAREFULLY READ THIS MEMORANDUM; HOWEVER, THE CONTENTS OF THIS MEMORANDUM SHOULD NOT BE CONSIDERED TO BE LEGAL OR TAX ADVICE AND EACH INVESTOR SHOULD CONSULT WITH HIS, HER OR ITS OWN COUNSEL AND ADVISORS AS TO ALL MATTERS CONCERNING AN INVESTMENT IN THE FUND.

EXCEPT WHERE OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF THE DATE INDICATED IN THIS MEMORANDUM. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE OF LIMITED PARTNERSHIP INTERESTS SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS, PROSPECTS OR ATTRIBUTES OF THE FUND SINCE SUCH DATE.

NOTHING CONTAINED IN THIS MEMORANDUM IS, OR SHOULD BE RELIED UPON AS, A PROMISE OR REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE FUND. ANY STATEMENTS, ESTIMATES AND PROJECTIONS WITH RESPECT TO SUCH FUTURE PERFORMANCE SET FORTH IN THIS MEMORANDUM ARE BASED UPON ASSUMPTIONS MADE BY THE GENERAL PARTNER, WHICH MAY OR MAY NOT PROVE TO BE CORRECT. NO REPRESENTATION IS MADE AS TO THE ACCURACY OF SUCH STATEMENTS, ESTIMATES AND PROJECTIONS. THERE CAN BE NO ASSURANCES THAT THE FUND'S INVESTMENT OBJECTIVES WILL BE REALIZED.

IN CONSIDERING THE PRIOR PERFORMANCE INFORMATION CONTAINED HEREIN, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE COMPARABLE RESULTS.

THIS MEMORANDUM IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PARTNERSHIP AGREEMENT OF THE FUND AND THE SUBSCRIPTION AGREEMENT RELATED THERETO. PRIOR TO THE FINAL CLOSING OF THE FUND, THE GENERAL PARTNER OF THE FUND AND ITS AFFILIATES RESERVE THE RIGHT TO MODIFY ANY OF THE TERMS OF THE OFFERING AND THE INTERESTS DESCRIBED HEREIN.

### **NOTICE TO NON-UNITED STATES RESIDENTS**

NO ACTION HAS BEEN OR WILL BE TAKEN IN ANY JURISDICTION OUTSIDE THE UNITED STATES THAT WOULD PERMIT AN OFFERING OF THE LIMITED PARTNERSHIP INTERESTS, OR POSSESSION OR DISTRIBUTION OF OFFERING MATERIAL IN CONNECTION WITH THE ISSUANCE OF THE LIMITED PARTNERSHIP INTERESTS, IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IT IS THE RESPONSIBILITY OF ANY FOREIGN INVESTOR WISHING TO PURCHASE THE LIMITED PARTNERSHIP INTERESTS TO OBSERVE THE LAWS OF ANY RELEVANT TERRITORY OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY SUCH PURCHASE, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE FORMALITIES.

**BC MEDIA FUNDING COMPANY II, L.P.**  
**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

**TABLE OF CONTENTS**

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>CURRENT ENVIRONMENT: THE PRIVATE LOAN OPPORTUNITY .....</b>	<b>2</b>
<b>INVESTMENT STRATEGY .....</b>	<b>3</b>
Deal Origination .....	3
Investment Criteria .....	3
Due Diligence .....	5
<b>INVESTMENT PORTFOLIO .....</b>	<b>6</b>
BC Media Portfolio Overview .....	6
Realized Investments .....	7
Unrealized Investments .....	8
Pending New Investments for Fund II .....	12
Other Investment Opportunities .....	13
<b>BARKER CAPITAL PROFESSIONALS .....</b>	<b>14</b>
<b>SUMMARY OF PRINCIPAL TERMS .....</b>	<b>16</b>
<b>RISK FACTORS .....</b>	<b>26</b>
<b>CERTAIN ERISA CONSIDERATIONS .....</b>	<b>33</b>
<b>Appendix I: U.S. Federal Income Tax Considerations</b>	



**EXECUTIVE SUMMARY**

Barker Capital, LLC (“Barker”) and BC Media Funding Company II, LLC (“BC Media” and together with Barker, “Barker Capital”) are establishing BC Media Funding Company II, L.P. (“Fund II” or the “Partnership”) to seek high current income and total return with principal preservation by extending senior secured loans to media and media-related companies. Barker Capital, which is seeking aggregate capital commitments of up to \$300 million, is confident that it can create significant value for investors by leveraging its relationships in and knowledge of the media industry. Barker Capital’s team of professionals brings nearly a half century of media lending, research, and advisory experience. Barker Capital is committed to furthering its franchise of delivering private capital solutions to lower middle market firms in the media industry.

Barker Capital is a media-focused investment and merchant banking firm. Its media expertise extends to the following areas: broadcast radio and television and related content, filmed and musical entertainment, publishing, out-of-home advertising, business services and other advertising-related media. The firm was founded in 2002 by Jacob J. Barker, a respected research analyst who previously had followed the media industry from a credit vantage for Fidelity Management & Research, Bank of America Securities, and TD (Toronto Dominion) Securities. A hallmark of the firm is devising creative capital structures and leveraging the institutional knowledge of the firm’s exclusive media focus to find capital and strategic partners for its clients. Barker Capital’s investment banking activities have included advising clients on acquisitions, balance sheet restructuring, private equity and senior debt formation in transactions totaling more than \$215 million. This advisory work has included the largest urban radio financing of 2002 (On Top Communications), the largest private equity investment in television of 2004 (Barrington Broadcasting) and the largest radio acquisition closed in 2005 (Finest City Broadcasting). Other transactions on which Barker Capital has advised have included newsletter publishing, outdoor advertising, and internet-related content.

Barker Capital’s Merchant Banking activities began in 2003 with the launch of a fund oriented toward acquiring seller notes. In 2004, Barker Capital formed BC Media to make senior secured loans to media firms and, in connection therewith, entered into a joint venture (“Fund I”) with a leading hedge fund manager. BC Media and Fund I have completed \$48 million of investments. While BC Media has no preset minimum or maximum loan size, most funded loans have been in amounts between \$5 and \$15 million and have a term between one and three years. Most of the loans that BC Media has funded have been derived from proprietary deal flow that is reflective of the firm’s extensive relationships in the media business.

The mission of BC Media has been to produce equity like returns for investments in lower middle market media firms that have the risk profile of secured bank loans. The fixed income nature of the portfolio makes anticipating returns somewhat easier than warrant driven subordinated debt investors. Since May of 2004, BC Media has committed \$48.65 million in seven loan transactions of which \$47.65 million has been invested. BC Media anticipates additional loans totaling in excess of \$15.00 million during the fourth quarter of 2007 and first quarter of 2008. BC Media has realized two investments in the aggregate amount of \$14.35 million with an internal rate of return, before deduction of management fees, carried interest,

taxes and organizational expenses (“Gross IRR”), of 24.1%. The balance of the funded portfolio was priced at the time of funding to yield Gross IRRs of in the range of 16-21% (See “Investment Portfolio-BC Media Portfolio Overview”).

Fund II anticipates that its initial investments will consist of at least one loan that is anticipated to close in the fourth quarter of 2007. These investments are anticipated to yield a Gross IRR of approximately 18.0% assuming no defaults or early prepayments. However, there can be no assurance that these results will be achieved. Subject to a reserve, we anticipate monthly distributions of the cash interest to Investors.

---

## **CURRENT ENVIRONMENT: THE PRIVATE LOAN OPPORTUNITY**

The genesis of BC Media and Fund II was the market opportunity created by the reduction in the number of bank and finance company media lenders over the past four years and the refocus on the upper middle market of the remaining lenders. This has resulted in a dearth of senior financing in the lower middle market segment of the media sector and had a pronounced impact on: (1) privately owned media companies seeking traditional cash flow loans in the \$2.5 million to \$15 million range, and (2) firms with development cash flows or operations in need of a turnaround where there is significant intrinsic value such as film libraries and radio stations. Fund II will limit itself to the following media segments: radio, television, publishing, outdoor, content/entertainment libraries, and communications towers and media-related business services. Our prospective borrowers are almost always private companies owned by entrepreneurs rather than those backed by a financial sponsor. To the degree that finance company competitors make small capitalization media loans, we believe it is almost always in the context of a financial sponsor. Credit-oriented hedge funds also make similar loans to many sectors including media. These funds tend to have significant assets under management which we believe results in a focus on larger transactions than Barker Capital targets. Our high fixed rates of return and current income are generally driven more by the paucity of competition than risk. Few of the transactions that we have completed or are currently negotiating have been competitive.

This has created an environment where BC Media derives equity-like returns through a senior secured structure that has a risk profile that is more similar to the leveraged loan market. While we believe our rates of return are comparable to mezzanine oriented investors, we think the risk profile is substantially different. We take a first-priority security interest in substantially all of the assets of each of our borrowers (other than regulated licenses where a pledge of the stock of the license company serves as proxy) and underwrite our loans with a loan to estimated or appraised value between 50 and 75 percent. We view this risk profile as conservative and comparing favorably with many leveraged loans and as having significant structural and risk advantages over mezzanine debt.

## INVESTMENT STRATEGY

### Deal Origination

BC Media's deal flow is driven primarily by Barker Capital's relationships, word of mouth, and referrals. Initial inquiries are screened for both suitability from a credit perspective and the likelihood of a term sheet being signed.

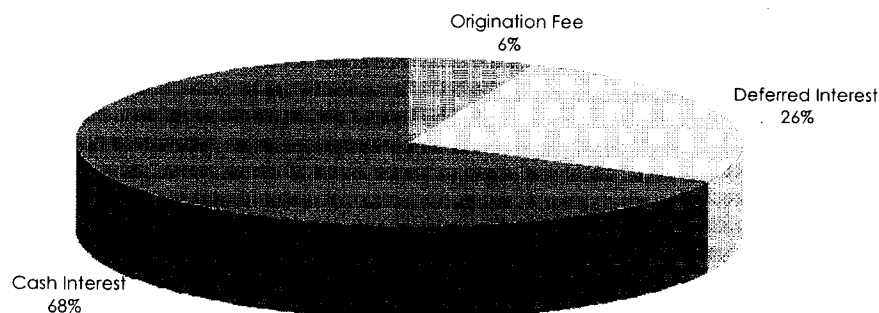
Over the past three years, BC Media has seriously reviewed 113 loan opportunities that resulted in eleven signed term sheets. Seven loans have been funded. One prospective borrower paid a break-up fee and pursued a loan with a less expensive alternative lender. In summary, 10% of the opportunities that we spent time reviewing during the past two years became loans. Of the term sheets that were not accepted by the prospective borrowers, roughly half were for acquisition financing where the prospective borrower failed to close the transaction and the other half were not accepted due to pricing.

### Investment Criteria

The process of preparing a term sheet involves extensive credit work designed to minimize the potential of negative surprises during post-term sheet due diligence. Loan pricing, which may include cash interest, deferred (or "PIK") interest, origination and extension fees and occasionally warrants, is also determined during the term sheet preparation process. Loan pricing is based on loan term, cash flow coverage, asset value and other risk indicators.

### Pricing Overview

Profit Breakdown - All Seven Actual Investments



Our pricing decisions are Gross IRR driven and are guided by two fundamental requirements: (1) high current income, and (2) base case Gross IRRs that typically range between 15-25%. The diagram above details the relative importance of the three sources of investment cash flow over BC Media's past three years of operations. The analysis is hypothetical in that it is based on

pricing at the time that the loan was originated.<sup>1</sup> If a loan is repaid early, the Gross IRR increases and if a loan defaults in a manner delaying repayment past a date certain, our credit underwriting is designed to ensure that even a forced asset sale results in repayment of all principal and deferred interest so the principal impact on Gross IRR of a default is the increase in the duration of an investment period.

## Two Year Structure

We generally structure the loans to mature in 24 months, although some have options for a third and fourth year. Extension options, if any, are generally priced in a neutral or nearly neutral manner to the Gross IRR. Because of the relatively high pricing, most borrowers view our loans as de facto bridge facilities and we anticipate that the average life will be less than or equal to two years. For example, our first realized investment in the portfolio was held for slightly less than one year.<sup>2</sup>

While expensive, part of the attractiveness to a borrower is our limited yield maintenance fees on prepaid loans. BC Media receives twelve months of interest for every loan (if a loan is refinanced in the eighth month, the borrower must pay an additional four months of interest as a yield maintenance fee). Any option to extend the maturity of a loan is tied to satisfaction of certain financial covenants. As a result, more seasoned loans will represent diminished credit risks.

## Floating Rate Cash Interest

Assuming a two year horizon for the entire portfolio, 68% of the income from the loan is generally derived from monthly cash interest payments. Cash Interest on each loan is floating based on a spread above a reference rate such as Prime<sup>3</sup> or LIBOR. BC Media's spread above Prime has averaged 5.45%. In instances where a borrower's initial cash flows are not sufficient to pay interest, an interest reserve is created and escrowed.

## Origination Fees

The portfolio averages origination or commitment fees of 2.77%, and BC Media currently has an internally stated goal of 2.5% to 3.0%. We charge fees on both committed and uncommitted capital. Origination and commitment fees may be paid to Barker Capital instead of Fund II. Any such fees received by Barker Capital will be credited against future payments by Fund II of management fees (See "Summary of Principal Terms-Management Fees").

---

<sup>1</sup> Subsequent increases in short term interest rates are not reflected in this analysis so that, on an actual basis, the cash interest component would be higher, but also be offset by the early refinancing of the Communications Capital Managers Loan.

<sup>2</sup> The Communications Capital Managers Loan was refinanced after 11 months.

<sup>3</sup> It is currently contemplated that all loans in Fund II generally will be based upon the Prime Lending Rate in the United States, as published in the *Wall Street Journal*.

## Deferred Interest

The combination of cash interest, origination fees, and term structure generally result in a mid-teens rate of return. From this point we determine our desired rate of return with deferred interest (that is, interest that is repaid at the maturity of the loan). To date, we have averaged an additional yield of 5.62% across the entire portfolio from deferred interest, or 7.22% if the two loans that do not have deferred pay features are excluded.

## Warrants

The core of our investment philosophy is to take risk commensurate with or below that of traditional bank loans to middle market media companies that will produce income streams that will provide returns that are fixed and not predicated upon equity risk. We generally avoid the equity risk that normally is associated with the types of returns we seek. To the degree that we include warrants in our term sheets, we nevertheless structure the financing so that our return criteria is met assuming that the warrants are worthless. Inclusion of warrants in a term sheet generally only is done if we believe significant equity value is being created with BC Media's capital.

## Due Diligence

The expense of diligence and loan documentation is generally born by the borrower. The cornerstone of our diligence process is the credit underwriting and diligence performed by BC Media's professionals. This involves: (1) the dissection of the company's financial projections that result in the creation of our own financial model, (2) diligence on the company's assets and interviews with senior management, (3) extensive discussions with industry competitors and contacts to confirm management integrity and competence, and (4) supervision and review of third party diligence items that include the following:

- Legal diligence and loan documentation by the leading firms in specific segment of the media industry occupied by the borrower. This includes Akin Gump Strauss Hauer & Feld for Entertainment industry borrowers and borrowers regulated by the FCC, and Shearman & Sterling and Freeborn & Peters for other media sectors.
- Accounting diligence is performed by Withum, Smith, & Brown – a firm that has extensive experience in media accounting and acquisition diligence.
- Background checks of management conducted by Control Risks Group.
- In situations with developmental cash flows, we seek third party appraisals. These are performed by appraisal firms with industry specialization: Cole & Bowman in the case of broadcasting and The Salter Group in the case of entertainment. This is done after we have performed our own internally generated asset valuation.

This process usually lasts eight to twelve weeks but can be compressed if a borrower has emergent needs.



**INVESTMENT PORTFOLIO****BC Media Portfolio Overview**

Loan/Investment	Date of Initial Investment	Investment Amount	Term	Realized Gross IRR (1)	Projected Gross IRR (1)	Origination Fee %	Prime Spread %	Deferred Interest %
CCM	6/9/2004	\$6,700,000	24 months (2)	24.10% (2)	20.33% (3)	2.50%	6.00%	8.00%
Family Broadcasting Group, Inc.	2/15/2005	\$7,650,000	24 months (4)	24.14% (4)	21.54% (3)	3.00%	6.00%	6.75%
Brill Media Company, LP (8)	10/1/2004	\$6,750,000	24 months	n/a	19.87% (3)	3.00%	4.00%	8.50%
CENLA Broadcasting	11/13/2006	\$4,800,000	24 months	n/a	15.96% (3)	2.60%	5.10%	0.00%
Business Talk Radio	11/14/2006	\$5,500,000	36 months	n/a	16.65% (3)	2.50%	5.10%	1.50%
IL Film Distributors Ltd.	1/2/2007	\$5,750,000 (5)	36 months (6)	n/a	20.02% (3)	2.50%	8.60%	0.00%
Cranston II, LLC	2/23/2007	\$10,500,000	24 months	n/a	20.51% (3)	3.00%	4.25%	9.25% (7)
		<u>\$47,650,000</u>			<u>19.60% (9)</u>	<u>2.77% (10)</u>	<u>5.45% (11)</u>	<u>5.62% (12)</u>

**Footnotes:**

- (1) Gross IRR is calculated before deduction of management fees, carried interest, taxes and organizational expenses. In addition, projected Gross IRR assumes that a loan will be outstanding for its full term, without extension, and that no defaults will occur. Actual results may therefore vary significantly from those indicated. In addition, Gross IRR further assumes that origination fees are paid to Fund II. However, it is likely that such fees will instead be paid directly to Barker Capital, and that management fees payable by Fund II will be correspondingly reduced. To the extent origination fees are paid to Barker Capital, Gross IRR will be lower than indicated, although net IRR should not be materially different than that which otherwise would arise. In light of the restructuring of the Brill Media Company loan (see "Unrealized Investments-Brill Media" below), the Projected Gross IRR for that loan reflects Projected Gross IRR based on such restructuring.
- (2) This loan was refinanced on 5/04/2005.
- (3) Exclusive of administrative fees. As indicated in "Summary of Principal Terms," 50% of these fees will be credited against management fees.
- (4) This loan was refinanced on 12/19/2006.
- (5) Total commitment amount is \$6,600,000.
- (6) This is a 36 month loan, with a fourth year option with payment of \$82,500 extension fee.
- (7) Deferred interest for the Cranston investment is at 9.25% for Tranche A and 2.0% for Tranche B.
- (8) Although this loan is currently in default, Barker Capital anticipates that it will be repaid in full. There can be no guarantee that this will be the case. See "Unrealized Investments-Brill Media" below.
- (9) Overall portfolio Projected Gross IRR is calculated based on an asset-weighted average.
- (10) Overall portfolio Origination Fee % is calculated based on an asset-weighted average.
- (11) Overall portfolio Prime Spread % is calculated based on an asset-weighted average.
- (12) Overall portfolio Deferred Interest % is calculated based on an asset-weighted average.

## **Realized Investments**

### **Communications Capital Managers**

In June 2004, Fund I provided a \$6.7 million term loan to Communications Capital Company II (CCM). CCM is a partnership of four seasoned radio owner/operators that seeks to find undervalued broadcast radio assets which are improved and monetized over a relatively short time horizon (1-3 years). CCM consists of two clusters of radio assets: Monroe, Louisiana (3 FM/1 AM) and Statesboro/Cochran, Georgia (3 FM/4 AM).

The principal use of proceeds and catalyst for the transaction was the maturity of CCM's credit facility with Textron Financial. Textron's exit from media lending created the opportunity for Fund I, and CCM looked to Fund I to provide a bridge while it engaged in a marketing process for the sale of the assets. This transaction was brought to Fund I by a third party. Somewhat skeptical of their potential for a sale near their price expectations, this credit was approached from the vantage point of a conventional term loan.

<b>Communications Capital Managers</b>	
(Figures in Actual Amounts)	
Term Loan.....	\$6,700,000
Term - Months.....	24
Origination Fee.....	2.50%
Prime Rate.....	4.00%
Prime Spread.....	6.00%
Deferred Interest.....	8.00%
Quarterly Principal Repayment.....	\$50,000
<b>Projected 24 Month Gross IRR.....</b>	<b>20.33%</b>
<b>Actual Gross IRR for 11 Month Term .....</b>	<b>24.10%</b>

At the time of this loan, the management of CCM was negotiating transactions that valued the assets at nearly \$11 million; however, we viewed the asset value at a more conservative level of \$8 million. We normally would have lent 5x-6x Broadcast Cash Flow (BCF) for these assets or roughly \$4.5 million. Therefore, we sought and received additional credit protection, even though the loan amount was well below asset value. Three of the owners of this asset had a combined net worth of \$30 million and personally guaranteed a portion of the loan. CCM subsequently determined that, in the context of the market for radio properties, intermediate term ownership was preferred and used proceeds from an asset sale outside of this credit and their respective personal balance sheets to procure and personally guarantee a conventional bank loan that refinanced our loan.

Our expected return was 20.3% over two years. The loan was repaid May 2005 after being outstanding for 11 months, resulting in a higher than anticipated 24.1% Gross IRR.

### **Family Broadcasting, Inc.**

In February 2005, Fund I provided an \$8.6 million 24 month term loan (option for 3rd year priced at 1.75%) commitment to Family Broadcasting Group, Inc ("Family"), of which \$7.65 million was funded. Family operates a full power independent television station in Oklahoma City, KSBI-TV (Ch. 52), and a low power network (LPTV) that reaches most of the state of Oklahoma and two markets in two adjacent states (Wichita, KS and Wichita Falls, TX). Upon acquisition in early 2004, Family switched programming from a predominantly religious station

to a “family friendly” line-up of programming that continues to add local programming. KSBI was purchased in March, 2004 for \$25 million that included significant seller financing of \$21 million and the balance from a local bank and the SBA with working capital funded by the shareholders.

The principal catalyst for this transaction was to provide growth capital to allow the owners of KSBI to enable a more professional execution of their vision for a family-centered, hyper-local broadcast television station. This was

accomplished by an asset based financing that created a margin of safety by lending at roughly 50% of the appraised value of the television station and 70% of the value of a poorer quality signal purchased a few months ago. After existing debt repayment, origination fees and expenses, and interest escrow, Family had roughly \$2.8 million to invest in additional sales people, additional prime time programming, a live truck to be used principally for broadcasting live high school sports, and a Nielsen ratings subscription.

The momentum generated by our loan created significant interest from local investors whom recapitalized Family in December 2006.

### **Unrealized Investments**

#### **Brill Media**

In September 2004, Fund I provided a \$6.75 million term loan to three entities owned and controlled by Brill Media Company, LP (“Brill”). Brill has owned or managed media assets for the past 30 years and formed Brill Media in 1980. At the commencement of the loan, it was secured by Central Michigan Directories, Inc. (CMDI) – an independent publisher of yellow pages style directories in four Michigan counties with a combined distribution of 100,000; TCI, Inc. – an entity that owns and operates three communications towers in Virginia and Missouri; and ERC I, LLC – an entity that

#### **Family Broadcasting**

(Figures in Actual Amounts)

Term Loan.....	\$7,650,000
Term – Months.....	24
Origination Fee.....	3.00%
Prime Rate.....	5.50%
Prime Spread.....	6.00%
Deferred Interest.....	6.75%
<b>Projected 24 Month Gross IRR.....</b>	<b>20.33%</b>
<b>Actual Gross IRR for 11 Month Term .....</b>	<b>24.10%</b>

#### **Brill Media**

(Figures in Actual Amounts)

Term Loan.....	\$6,750,000
Term – Months.....	24
Origination Fee.....	3.00%
Monthly Administration Fee.....	\$3,000
Prime Rate.....	4.80%
Prime Spread.....	4.00%
Deferred Interest.....	8.50%
Quarterly Principal Repayment – 2005.....	\$25,000
Quarterly Principal Repayment – 2006.....	\$50,000
<b>Projected Gross IRR .....</b>	<b>20.33%</b>



owns the Woolen Mill Historic office building in downtown Evansville, Indiana. We estimated loan to value to be approximately 60 to 67%.

The catalyst for the loan was a liquidity problem engendered by the bankruptcy of a radio company owned separately by owner Alan Brill. The taint of the radio bankruptcy combined with across the board loan portfolio issues at his traditional bank, Old National Bank of Evansville, created the need for the financing and reluctance toward traditional financing alternatives.

Brill's intent was to capitalize on a cleaner balance sheet to refinance the loan during the fourth quarter of 2005. For a variety of reasons, a complete refinancing of the loan did not make sense and a decision was made to sell the tower business and refinance a lower loan balance. Although Brill currently is in default, it has (i) consummated a refinancing of the Woolen Mill Historic office building with another lender, (ii) entered into a sale agreement for the tower assets (but not the real estate) held by TCI, Inc., and (iii) entered into an agreement with another lender to finance the CMDI business. Upon completion of each of those transactions, the proceeds of the transactions have been or will be used to reduce the balance on the loan to a point where we will realize a return of 13.2%. In addition, we currently anticipate that the remaining portion of the unpaid balance of the loan will be restructured into a new note and certain other obligations to be secured by additional collateral. This restructuring of the obligations will result in a projected Gross IRR of at least 19.87%.

### **BusinessTalkRadio.net, Inc.**

On November 14, 2006, BC Media Funding Company II, LLC made a \$5.5 million senior secured loan to BusinessTalkRadio.net, Inc. ("BTR") and four subsidiaries that include three AM stations in Las Vegas, Boston, and Greenwich Connecticut. BTR also operates two radio networks.

The loan is secured by a first priority security interest on all current and future assets of BTR, including accounts receivables, inventory, PP&E, and the stock of a series of wholly owned subsidiaries of BTR which each

hold an FCC license for the radio stations BTR operates. In addition the loan is personally guaranteed by four high net worth individuals with a combined net worth of \$31.5 million. At the commencement of the loan, we valued the network at \$4.5 to \$5.0 million, but assumed a zero valuation in terms of liquidation, and we valued the radio stations at \$6.0 to \$6.5 million on a liquidation basis.

### **CENLA Broadcasting Company, Inc.**

On November 13, 2006, BC Media Funding Company II, LLC, made a \$4.8 million senior secured loan to CENLA Broadcasting Inc. ("CENLA"). CENLA is an acronym for Central

#### **BusinessTalkRadio.net**

(Figures in Actual Amounts)

Term Loan.....	\$5,500,000
Term – Months.....	36
Origination Fee.....	2.50%
Monthly Administration Fee.....	\$2,300
Prime Rate.....	8.25%
Prime Spread.....	5.10%
Deferred Interest.....	1.50%
<b>Projected 36 Month Gross IRR .....</b>	<b>20.33%</b>

Louisiana where the company has operated an AM/FM combination for over 25 years. CENLA used the proceeds of the loan to acquire four radio stations (3 FM/1AM) located in Alexandria, Louisiana from Clear Channel Communications, to refinance existing debt and to fund acquisition costs and working capital needs. As a result of the acquisition, CENLA possesses the heritage format, and approximately 50% of the local radio market revenue and ratings.

The loan is secured by a first priority security interest on all current and future assets of CENLA, including accounts receivables, inventory, PP&E, and the stock of a series of wholly owned subsidiaries of CENLA which each hold an FCC license for the radio stations CENLA operates. A portion of the loan, \$0.5 million, was syndicated to the largest local bank, Red River Bank.

This loan provided an opportunity to add a low leverage cash flow radio loan (3.8x) to Fund II's portfolio. In addition, CENLA has the potential to both develop land and harvest timber at one of their tower sites and dispose of unnecessary Clear Channel assets which should generate \$0.3-\$0.4 million of proceeds.

### Cranston II, LLC

On February 23, 2007, Fund II made a \$9.5 million loan to Cranston II, LLC ("Cranston"). Cranston owns KMCC, a full-power television station licensed to the city of Laughlin, Nevada. Laughlin is part of the Las Vegas, Nevada market (DMA #43). Laughlin is located in the far the Southeastern tip of Nevada 90 miles southeast of Las Vegas and is a relatively recently created gaming town, across the Arizona border from its twin city of Bull Head City, Arizona. The station broadcasts locally using analog (channel 34) and digital (channel 32) signals ("KMCC-DT") as a Multi-medios Television affiliate with Spanish language programming.

The purpose of this financing for Cranston was to build a new full market television station in the Las Vegas market by moving the KMCC's digital signal closer to Las Vegas from its current city of license, Laughlin Nevada. Additionally, Cranston required financing to repay maturing debt obligations, as well as to fund interim working capital, and to provide for a 12 month interest reserve. The loan is secured by all current and future

#### CENLA Broadcasting Company

(Figures in Actual Amounts)

Term Loan	\$4,800,000
Term - Months	24
Origination Fee	2.60%
Monthly Administration Fee	\$2,000
Loan Extension Fee (12 month extension)	1.50%
Prime Rate	8.25%
Prime Spread	5.10%
<b>Projected 36 Month Gross IRR</b>	<b>15.96%</b>

#### Cranston II

(Figures in Actual Amounts)

Term Loan - Tranche A	\$6,500,000
Term Loan - Tranche B	\$4,000,000
Term - Months	36
Origination Fee	3.00%
Monthly Administration Fee	\$4,375
Prime Rate	8.25%
Prime Spread	4.25%
Deferred Interest - Tranche A	2.00%
Deferred Interest - Tranche B	9.25%
<b>Projected 36 Month Gross IRR</b>	<b>20.51%</b>

assets of Cranston including accounts receivables, inventory, and property, plant and equipment, as well as by a pledge of the stock of Cranston's wholly owned subsidiary which holds the FCC license that allows KMCC to operate. These assets include the KMCC station and 14% of a television station in Los Angeles. Prior to including the personal guarantees of the principals of Cranston, the loan to value on this transaction is approximately 30%.

The loan was structured with two fully-funded tranches, a \$6.5 million Term Loan A and a \$4.0 million Term Loan B. At the commencement of the loan, it was anticipated that Cranston would repay this loan in its entirety between months twelve and eighteen of the term. In early October 2007, Cranston executed an asset purchase agreement to sell the station to a high net worth individual for \$30 million. The transaction is anticipated to close in December or January, and the proceeds will be used to repay the loan.

### **I.L. Film Distributors Ltd.**

On December 31, 2006, BC Media Funding Company II, LLC made a \$5.75 million loan (of a \$6.6 million commitment) to I.L. Film Distributors Ltd. ("I.L. Film"), a wholly-owned subsidiary of Noah Communications Ltd. ("Noah"), the largest independent distributor of motion pictures in Israel. Noah is a subsidiary of Globus Group whose operations include motion picture exhibition and a film sales agency, and which produces and rents productions facilities for local and international film and television entertainment production. Noah, through I.L. Film, has a library of 1,350 films which it keeps current with the purchase of 20 to 30 new titles annually. In addition to revenue from theatrical distribution, Noah sells to the DVD, video on demand, Pay TV, Cable TV, and broadcast markets. We estimate the value of the loan relative to the current value of the film library and the likely valuation of the additional titles is 56-59%.

#### **I.L. Film Distributors**

(Figures in Actual Amounts)

Term Loan.....	\$5,750,000
Term - Months.....	36
Origination Fee.....	2.50%
Monthly Administration Fee.....	\$0
Prime Rate.....	8.25%
Prime Spread.....	8.60%
<b>Projected 36 Month Gross IRR.....</b>	<b>20.51%</b>

The Israeli banking system is not big enough to sustain specialty lending groups like many large U.S. banks have catering to the media business. As a result, local banks lack the institutional knowledge of media segments like entertainment and have generally more conservative lending practices than those available to U.S. based entertainment companies. If the loan amount were larger, it is likely that a U.S. or European lending institution would propose a similar structure at significantly lower terms. \$5.0 million of the loan was used to refinance existing debt and the proposed use for the balance was to purchase approximately 20 to 30 new film titles for the library.

This loan was structured differently than other loans in the portfolio in that the asset has limited expenses, and it was anticipated that nearly all of the revenue associated with the library would be available for debt service. Accordingly, the loan carries a high rate of cash interest and will be 40% amortized over the term. The Globus employees that are responsible for Noah also are responsible for I.L. Film's sale agent business which generates enough revenue to pay all



overhead related expenses. At loan commencement, it was anticipated that nearly all of the balance of Noah's revenue would be used to pay interest and rapidly amortize the debt. However, due to protracted negotiations involving the licensing of I.L. Film's film library to certain media outlets, I.L. Film has not achieved financial performance consistent with the financial projections provided in connection with the loan. Accordingly, effective August 15, 2007, a default under the loan was declared and interest at a default rate (standard rate + 4%) began accruing, even though I.L. Film has satisfied all payment obligations under the loan.

While our base case shows an outstanding balance at maturity, we anticipate the loan will either be repaid out of free cash flow over the course of the term or with the proceeds of an anticipated initial public offering of the parent company.

### **Pending New Investments for Fund II**

#### **New Multi Ag Media, Inc.**

Fund II anticipates funding a \$6.75 million loan to New Multi Ag Media, Inc. ("New Multi Ag"). New Multi Ag is a newly formed company established by National Investment Management, Inc., to consummate the acquisition of Multi Ag Media, LLC ("Multi Ag"). Multi Ag has two principal lines of business servicing the agriculture industries – a dairy publishing business that includes publications over 100 years old and a data services company has been gathering and processing farm ownership data for over 30 years.

#### **New Multi Ag Media**

(Figures in Actual Amounts)

Term Loan .....	\$6,750,000
Term – Months .....	36
Origination Fee .....	3.00%
Monthly Administration Fee .....	\$2,800
Prime Rate .....	8.25%
Prime Spread .....	5.50%
Deferred Interest .....	2.25%
<b>Projected 36 Month Gross IRR .....</b>	<b>18.20%</b>

New Multi Ag and several co-investors are paying a total consideration of \$8.75 million plus two earn-out provisions based on revenue and EBITDA growth that are still being negotiated, but could add an additional \$1.4-2.4 million of purchase price based on current projections over the next five years. The private equity investors plan on a total investment of at least \$2.25 million. Based upon the buyer's pro forma EBITDA, the cash purchase price is 5.5x EBITDA and their all in price when working capital and fees are factored in is 6.9x (prior to the impact of the earn-out).

The loan will be secured by all current and future assets of New Multi Ag including accounts receivables, inventory and PP&E including all licenses, software and contracts, where applicable. The borrowers will agree to a \$1.0 million make-well provision should their operating performance fall below covenants at any point during the first 18 months of the loan. At \$6.75 million the loan is 4.2x Debt/Pro Forma EBITDA and 3.6x assuming the make-well.

We anticipate that the borrower will exit this loan entirely between months twelve and eighteen, as it views this financing as a bridge to a more economically priced facility.

There can be no assurance that this loan will close or, if it closes, that it will close on the terms, or with a projected Gross IRR, described above.

### **Other Investment Opportunities**

From time to time, Barker Capital encounters investment opportunities that may not fall within the precise parameters of Fund I or Fund II, but nevertheless are attractive. In the past, we have presented these opportunities to our investors and been able to make certain of such investments outside of the funds. Although there can be no assurances given that similar opportunities will become available to us or our investors in the future, a summary of these opportunities in which we have made out-of-fund investments follows.

#### **Spanish Broadcasting Systems, Inc.**

On April 2, 2007, BC Media Funding Company II, LLC purchased, at a discount to par, a promissory note in the principal amount of \$18.5 million (“the Note”) issued on March 1, 2006 by Spanish Broadcasting System, Inc. (“SBSA”) (NASDAQ:SBSA), SBSA’s wholly owned subsidiary Mega Media Holdings, Inc. (“Mega”) and Mega’s wholly owned subsidiary WSBS Licensing, Inc. (f/k/a WDLF Licensing, Inc.) (“WSBS”). SBSA is the largest publicly-traded Hispanic-controlled media and entertainment company in the U.S. SBSA owns and/or operates 20 radio stations in seven of the top ten U.S. Hispanic markets including New York, Los Angeles, Miami, Chicago, San Francisco and Puerto Rico. SBSA also owns two television stations, serving the south Florida market in Miami and Key West. In addition, SBSA operates LaMusica.com, a bilingual Spanish-English website providing content related to Latin music, entertainment, news and culture. The gross IRR is estimated to be approximately 11.75%.

<b>Spanish Broadcasting Systems</b>	
<b>Projected 21 Month Gross IRR.....</b>	<b>11.75%</b>

SBSA, Mega and WSBS are all obligors under the Note, which was issued in conjunction with SBSA’s March 2006 \$37.6 million acquisition of the Florida television stations WSBS-TV (Channel 22, f/k/a WDLF-TV) in Key West, Florida, its derivative digital television station WSBS-DT (Channel 3, f/k/a WDLF-DT) in Key West, Florida, and WSBS-CA (Channel 50, f/k/a WDLF-CA) in Miami, Florida which serves as a repeater for the Key West station. WSBS-TV, WSBS-DT and WSBS-CA are operating as one television operation, branded as Mega TV. Mega TV debuted on the air on March 1, 2006 and is a general entertainment Spanish-language television operation serving the South Florida market.

The Note is non-interest bearing and matures on January 2, 2009. The obligations under the Note are secured by the assets acquired in connection with the acquisition of the three Florida TV stations described above. In that transaction, WSBS acquired the FCC licenses associated with those TV stations, and its stock was pledged as security for the obligations under the Note.

To the degree the note is not fully covered in the event of the liquidation of these assets, the note also benefits from the guarantee of SBSA.

### **Astra Media Group, Inc.**

On April August 29, 2007, certain entities affiliated with Barker Capital made an investment in Astra Media Group, Inc. (“Astra”), an outdoor advertising company, focused on taxi top advertising via Astralite Taxi Displays (“Astralites”) which Astra manufactures. The investment included a term loan in the principal amount of \$3.0 million (with an initial funding of \$1.5 million), secured by the assets of Astra and maturing in August 2010. Pursuant to the investment the Barker affiliated entities also received 60% of the common stock of Astra.

Astra was founded in 2001 as a manufacturer of mobile media displays. Today, in addition to its manufacturing operations, Astra provides advertisers with advertising space on taxi roofs via Astralites, in addition to offering the same product and maintenance services to other taxi media companies. Astralites are unique taxi top because they provide 360 degree viewing, by allowing advertising content on two endcaps in addition to the typical two side panels.

Astra currently has nearly 300 taxi top units operational and occupied in New York City and 100 taxi top units operational and occupied in Boston. Astra is forecasting a total of 900 taxi top units by year end 2007 and over 2,200 by year end 2008. Astra’s strategy is to focus its growth in New York City, and expand into other markets upon achieving a sizeable position in New York City. By 2009, Astra forecasts over 2,500 taxi top units in operation, with the growth being driven by the New York City market.

---

## **BARKER CAPITAL PROFESSIONALS**

### **Jacob J. Barker Managing Partner**

Jacob J. Barker is the founder of Barker. Mr. Barker began his career as a high yield analyst for Fidelity Management & Research where one of his focus areas was media. Prior to founding Barker, Mr. Barker was the senior high yield media analyst for Toronto Dominion (“TD”) Securities. He also worked in a similar capacity for NationsBank Montgomery Securities (a predecessor of Bank of America Securities). While at TD, Mr. Barker extended the scope of his credit research to include syndicated bank loans. In 2002, Mr. Barker founded Barker to focus on both principal investments and investment banking services for media companies in the lower middle market. To date, Barker’s investment banking activities have included advising clients on acquisitions, balance sheet restructuring, private equity and senior debt formation in transactions totaling \$215 million. In 2003, the firm formally launched its first merchant banking effort, a seller note monetization vehicle called BC Liquidity Fund I, LLC. In 2004, the firm launched BC Media Funding Company to originate senior secured loans to media companies. Mr. Barker earned a Bachelor of Arts degree in history from Tufts University. Mr. Barker is active in a number of educational and conservation oriented charities including his alma mater, Lake Forest Academy, where he is a trustee; The English Speaking Union of New York City where he is a director, St.

Thomas Church Fifth Avenue where he sits on the investment committee for their endowment and Ducks Unlimited, as past Treasurer of their New York City fundraiser.

**Sara B. Gochberg**  
**Director**

Sara B. Gochberg is a Director of Barker. Prior to joining Barker in 2005, Ms. Gochberg worked in investment banking and corporate finance at Toronto Dominion Securities, participating in senior and subordinated debt financings, as well as merger and acquisition transactions, focusing on Media and Telecommunications, and specifically in the radio, television, cable television, communication towers, and CLEC sectors. Ms. Gochberg also has significant experience in the origination and valuation of credit and interest rate oriented derivatives. Ms. Gochberg is a graduate of the Stern School of Business at New York University with a degree in finance, accounting and political science and an active member in a number of educational and community-oriented charities.

**Dale E. Norton, C.P.A.**  
**Chief Financial Officer**

Dale E. Norton is the Chief Financial Officer for Barker. Prior to joining Barker in January 2006, Mr. Norton served approximately two years as Assistant Controller for Northwestern Corporation (dba Northwestern Energy), a New York Stock Exchange-listed utility and one of the largest providers of electricity and natural gas in the Northwest. While at Northwestern, Mr. Norton assisted with implementation of new accounting pronouncements, as well as preparation and filing of all quarterly and annual SEC reporting documents. Mr. Norton also served as Chief Financial Officer of Specialized Card Services, a credit card servicing company located in Sioux Falls, South Dakota. Prior to 2000, Mr. Norton worked in Phoenix, Arizona, where he was an Audit Manager for Deloitte & Touche, LLP. Mr. Norton is a Certified Public Accountant and has a Bachelors of Science Degree in Business with an emphasis in Accounting from The University of South Dakota in Vermillion, South Dakota. Mr. Norton currently serves on the board of directors of two non-profit organizations in his hometown of Spirit Lake, Iowa.

**Timothy P. Olson**  
**Managing Director**  
**General Counsel**

Timothy P. Olson is the Managing Director and General Counsel of Barker. Prior to joining Barker in February 2007, Mr. Olson was an attorney at Davenport, Evans, Hurwitz, and Smith, LLP in Sioux Falls, South Dakota, and before that at Skadden, Arps, Slate, Meagher & Flom, LLP in its Chicago office since the fall of 1996. While at Skadden, Mr. Olson specialized in corporate restructuring matters, including representing various Fortune 250 companies in out-of-court financial restructurings and the following debtors, among others, in their chapter 11 reorganizations: Friedman's, Inc.; The Singer Company, N.V.; and US Airways Group, Inc. Mr. Olson is a graduate of the University of Chicago with a Bachelor of Arts degree in philosophy and obtained his law degree from DePaul University College of Law in Chicago, Illinois, where he was a member of the Order of the Coif and the *DePaul Law Review* and served as Executive Editor of the *DePaul Business Law Journal*.



Set forth below is a summary of certain significant provisions of the Limited Partnership Agreement of Fund II and other related agreements governing Fund II. The following summary does not purport to be complete and is subject to the detailed provisions of the Limited Partnership Agreement, the Subscription Agreement and the Management Agreement. These documents should be read in their entirety by prospective investors and are available from Barker Capital, who is also available to respond to prospective investors' inquiries and requests for further information concerning Fund II.

**The Partnership:** BC Media Funding Company II, L.P. ("Fund II" or the "Partnership") is a limited partnership organized under the laws of Delaware for the purpose of making senior loans to media and media-related companies, including companies that own or operate communications towers ("Portfolio Companies").

**Size of the Offering:** The Partnership is offering up to \$300 million of limited partnership interests (the "Interests"). However, the General Partner may increase or decrease the size of the offering. The minimum size of the Partnership shall be \$2.5 million.

Purchasers of Interests are collectively referred to as the "Limited Partners and together with the General Partner as the "Partners."

**Minimum Limited Partner Commitment:** The minimum subscription by a Limited Partner will be \$250,000, subject to reduction at the discretion of the General Partner, which also has discretion to reject the offer of a subscription for any reason.

**General Partner:** The General Partner (the "General Partner") is BC Media Funding Company II, LLC, a Delaware limited liability company. The Principal (as defined below) will commit, through the General Partner, a substantial portion of his net worth.

**Manager:** The General Partner will engage Barker Capital, LLC, a Delaware limited liability company (the "Manager"), to provide certain advisory and management services to the Partnership.

**Term:** The Partnership's term will continue until the sixth anniversary of the Final Closing, unless terminated sooner upon the happening of certain events as set forth in the Partnership Agreement,



subject to extension of up to two additional one-year periods by the General Partner in the discretion of the General Partner.

**Closings:**

An initial closing (the “Initial Closing”) will be held as soon as practicable. The General Partner is entitled, at its sole discretion, to continue to accept subscriptions and to hold one or more subsequent closings (the last one of which is referred to as the “Final Closing”) until nine months after the Initial Closing.

**Effect of Subsequent Closings:**

Each Limited Partner that participates in a closing subsequent to the Initial Closing will be required to contribute its proportionate share of all prior drawdowns and pay an amount equal to its proportionate share of all accrued and undistributed interest on the Partnership’s investment portfolio as of the date of such payment by the new Limited Partner.

The amounts so contributed will be distributed to those Limited Partners who participated in prior closings in proportion to their contributed capital. Any amount distributed to a Limited Partner, to the extent it represents a recovery of contributed capital, will cause a commensurate increase in the amount of its undrawn commitment and will be subject to subsequent drawdown.

Each Limited Partner participating in a closing subsequent to the Initial Closing also will be required to pay its share of the cumulative amount of the Management Fee to the Manager that it would have paid if it had been a Limited Partner on the date of the Initial Closing.

**Investment Period:**

The investment period (the “Investment Period”) of the Partnership will extend from the Initial Closing to the earlier of (i) the date on which the total committed capital of the Partnership has been invested or used to pay expenses and liabilities of the Partnership, or formally reserved for such purposes or (ii) the fourth anniversary of the Final Closing.

Subject to commitment availability, follow-on investments in existing portfolio companies will be permitted after the end of the Investment Period; provided that follow-on investments in connection with workouts and restructurings of portfolio investment shall be limited, in the aggregate, to 15% of the committed capital of the Partnership. After the Investment Period, further drawdowns may be made only for the purposes of funding investments committed to prior to the end of the Investment Period and which close within six months of the end of the Investment Period, or for follow-on investments as

described above, or for meeting Partnership expenses and liabilities.

**Reinvestment of Capital:**

Except as set forth below, proceeds from the sale or other disposition of investments other than short-term investments of excess cash will not be subject to reinvestment and, once distributed, will not be subject to recall. However, proceeds constituting a return of capital (but not income or gain) from the sale or other disposition of a portfolio investment within two years of the date such investment originally was made may be reinvested by the General Partner in portfolio investments (including follow-on investments). In addition, if and to the extent that any such proceeds are distributed, they will be added to unfunded capital commitments and again be available for drawdowns throughout the term of the Partnership to the extent otherwise permitted.

**Management Fee:**

The Manager will receive an annual management fee (the “Management Fee”), payable quarterly in advance, of 2% per year based on the total capital committed to the Partnership by the Limited Partners for the Investment Period and 2% per year based upon unreturned capital contributions to the Partnership thereafter. Fifty percent of the aggregate amount of any administrative fees and one hundred percent of all other fees (in each case, net of any related expenses) received by the Manager, the General Partner, the Principals or any affiliate of any Principal (other than the Partnership) from Portfolio Companies or potential portfolio companies, including directors fees, origination fees, advisory fees, consulting fees, monitoring fees, brokers’ and finders’ fees, transaction fees, investment banking fees and net break-up fees and litigation payments, if any, from broken deals (collectively, “Transaction Fees”), shall be applied to reduce the amount of future Management Fees.

The payment of the Management Fee will reduce the capital commitment of a Partner.

**Expenses:**

Each Limited Partner will be responsible for its pro rata share of the organizational expenses of the Partnership up to a limit not to exceed \$500,000 in the aggregate for all Limited Partners. The payment of organizational expenses by a Limited Partner will reduce such Partner’s capital commitment.

Each Limited Partner will be solely responsible for its own legal and tax counsel expenses and any out-of-pocket expenses incurred in connection with the organization of, its admission to, or the maintenance of its Interest in, the Partnership.

The Manager will be responsible for all of its own normal day-to-day operating expenses, such as compensation of its professional staff and the cost of office space, office equipment, communications, utilities and other such normal overhead expenses.

The Partnership will be responsible for all other expenses of the Partnership including, but not limited to, the following:

- (i) All expenses incurred in connection with Partnership operations, including the research, analysis, making, purchase, holding, sale or proposed sale of any Partnership investments (including legal and accounting fees unless paid for by the company which is the subject of the investment);
- (ii) Costs and fees relating to the preparation of financial and tax reports, portfolio valuations and tax returns of the Partnership;
- (iii) The costs of prosecuting or defending any legal action for or against the Partnership, the General Partner, the Manager or their affiliates;
- (iv) All costs related to the Partnership's indemnification of the General Partner, the Manager and their affiliates;
- (v) Interest on and fees and expenses arising out of all permitted borrowings made by the Partnership;
- (vi) The costs of any litigation, director and officer liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Partnership;
- (vii) All unreimbursed out-of-pocket costs relating to investment transactions that are not consummated, including legal, accounting and consulting fees, and all extraordinary professional fees incurred in connection with the business or management of the Partnership;
- (viii) All expenses of liquidating the Partnership; and
- (ix) Any taxes, fees or other governmental charges levied against the Partnership and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Partnership.

**Incurrence of  
Indebtedness:**

The Partnership does not anticipate incurring any indebtedness other than to pay expenses or short-term borrowings to fund Limited Partners' capital contributions on an expedited basis; however, if the General Partner determines that the circumstances so warrant, the Partnership may incur indebtedness for the purpose of financing investments up to an aggregate amount equal to the aggregate amount of capital commitments.

If a Limited Partner's capital contributions are "bridged" by short-term borrowings, the Limited Partners whose capital contributions were so "bridged" shall be responsible for the costs of such borrowings.

**Distributions:**

The General Partner will distribute proceeds realized from dispositions of investments, plus any dividends or interest income received at least quarterly; however, the General Partner may retain such amounts in reserve as it considers prudent to meet future expenses and liabilities of the Partnership or to make permitted reinvestments of such proceeds.

Distributions will be made in cash and in U.S. dollars or in marketable securities at the sole discretion of the General Partner (distributions of other property may be made only with the consent of a majority in interest of the Limited Partners).

Distributions attributable to any portfolio investment will be initially apportioned among the Partners in proportion to their respective percentage interests relating to such investment. The amount apportioned to the General Partner will be distributed to it, and the amount apportioned to the Limited Partners will then be immediately reapportioned as between the Limited Partners and the General Partner as follows:

- (i) *Return of Contributed Capital:* 100% to the Limited Partners in proportion to their contributed capital in respect of such investment until they have received distributions equal to their capital contributions (including allocated Partnership expenses, Management Fees and organizational expenses) in respect of such investment and all realized investments (including permanent write-downs of any investment);
- (ii) *Preferred Return:* 100% to the Limited Partners in proportion to their contributed capital in respect of such investment until they have received distributions equal to an 8% per annum cumulative return, compounded annually

(the “Preferred Return”), as calculated on their capital contributions (including allocated Partnership expenses, Management Fees, and organizational expenses) in respect of such investment and all other realized investments (including permanent write-downs of any investment);

- (iii) *Carried Interest Catch-up*: 20% to the Limited Partners and 80% to the General Partner as an incentive distribution (the “Carried Interest”) until the General Partner has received cumulative distributions of 20% of the net profits on all realized investments; and
- (iv) *Carried Interest*: thereafter, 80% to the Limited Partners in proportion to their contributed capital and 20% to the General Partner as additional Carried Interest.

Notwithstanding the foregoing, the General Partner may distribute income (other than gains on portfolio investments) to the Partners in proportion to their assumed tax liabilities with respect to such income in amounts sufficient to satisfy such liabilities.

The General Partner may waive its receipt of all or any portion of its carried interest in respect of Limited Partners that are principals, employees, affiliates or “friends and family” of the General Partner or any of its affiliates.

**Allocation of Income,  
Gain and Loss:**

Income, expense, gain and loss of the Partnership will generally be allocated to the Partners in a manner consistent with the distribution of proceeds and income from investments as described above.

**Co-Investment by  
Limited Partners:**

When the General Partner deems it appropriate and consistent with the interests of the Partnership, it may provide one or more Limited Partners with additional co-investment opportunities. Such opportunities may take the form of senior debt, subordinated debt, equity or equity-related investments.

**Investment:**

The Partnership will invest no more than 20% of aggregate commitments in any single Portfolio Company without the express consent of Limited Partners representing 66-2/3% of the capital of the Partnership.

**Drawdowns:**

Commitments generally will be drawn down as necessary to fund investments and to meet Partnership expenses. A minimum of five calendar days’ written notice (a “Funding Notice”) will be given by the General Partner. Each Funding Notice will specify

the funding date, amount and proposed use of proceeds for each drawdown, as well as provide appropriate payment instructions.

**Defaulting Partners:**

Any Limited Partner that fails to contribute the full amount specified in a Funding Notice within five business days of the specified due date or any other payment required to be made by it to the General Partner, the Manager or the Partnership may be deemed a defaulting partner (a “Defaulting Partner”) at the discretion of the General Partner. The General Partner in its sole discretion may waive or permit the cure of the condition causing such default subject to such conditions upon which the General Partner and such Limited Partner may agree.

A Defaulting Partner will not be entitled to participate in any vote, consent or decision to be made by the Limited Partners of the Partnership or be permitted to make any further capital contributions to the Partnership.

A Defaulting Partner may be subject to forfeitures of distributions that it otherwise would have received and may be subject to a 25% reduction in the balance of its capital account.

A Defaulting Partner may also be required to sell its Interest in the Partnership to the other Partners or to a third party at its cost or another price determined to be fair and reasonable under the circumstances by the General Partner in its sole discretion.

**Withdrawal/Transfer of Interests:**

Voluntary withdrawal by Limited Partners from the Partnership will not be permitted.

The Interests will be subject to restrictions on resale designed to ensure that the Partnership will not be required to register under the Investment Company Act, to ensure compliance with the laws regulating the sale of unregistered securities and to satisfy certain tax law considerations. All proposed transfers will be subject to the consent of the General Partner and proposed purchasers of Interests will be required to demonstrate sufficient financial wherewithal to meet remaining drawdown obligations.

**Dedication of the General Partner and the Principals:**

In the event that a majority of the Principals ceases to be actively involved with the business of either the Manager or the General Partner, Limited Partners representing 66-2/3% of the capital of the Partnership shall have the right to terminate their commitments (except as they relate to existing contracts of the Partnership) and to terminate the Partnership. The term “Principal” shall refer to Jacob J. Barker and to any additional

individuals who shall be approved by Limited Partners representing 66-2/3% of the capital of the Partnership.

**Termination:**

Upon termination, the Partnership shall be dissolved and wound-up. The General Partner or, if there is no General Partner, a liquidator or other representative (the "Representative") appointed by a majority in interest of the Limited Partners shall proceed with the orderly sale or liquidation of the assets of the Partnership and shall apply and distribute the proceeds of such sale or liquidation in the following order of priority, unless otherwise required by law:

- (i) first, to pay all expenses of liquidation;
- (ii) second, to pay all creditors of the Partnership (including Partners who are creditors) in the order of priority provided by law or otherwise;
- (iii) third, to the establishment of any reserve which the General Partner or the Representative may deem necessary (such reserve may be paid over to an escrow agent); and
- (iv) fourth, to the Partners or their legal representatives.

Upon dissolution, the General Partner or the Representative may in its sole and absolute discretion (a) liquidate all or a portion of the Partnership assets and apply the proceeds of such liquidation in the manner set forth above and/or (b) hire independent appraisers to appraise the value of Partnership assets not sold or otherwise disposed of or determine the fair market value of such assets, and allocate any unrealized gain or loss determined by such appraisal to the Partners as though the properties in question had been sold on the date of distribution and, after giving effect to any such adjustment, distribute said assets in the manner set forth above, provided that the General Partner or the Representative shall in good faith attempt to liquidate sufficient Partnership assets to satisfy in cash the debts and liabilities described above.

A reasonable amount of time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities to creditors so as to enable the General Partner or the Representative to minimize the losses attendant upon such liquidation.

**Clawback:**

To the extent that over the life of the Partnership the General Partner has received distributions in respect of the Carried Interest exceeding the stipulated share of aggregate net capital gains from



Portfolio Companies, the General Partner will be liable to return the after-tax amount of any such excess distributions received by it to the Partnership, for distribution to the Partners, at the end of the Partnership's term.

**Other Funds:**

Neither the General Partner, the Principals, nor any affiliate of any Principal will organize or be associated with another investment fund (other than a parallel fund) with objectives similar to those of the Partnership without the prior consent of the Limited Partners representing a majority of the aggregate Commitments until the earlier of the termination of the Investment Period or the date on which at least 75% of the aggregate capital commitments has been drawn down, is committed to portfolio companies, has been reserved for follow-on investments or actual or contingent expenses or liabilities of the Partnership or is otherwise unavailable.

**Indemnification:**

The Partnership will indemnify, to the maximum extent permitted by law, the General Partner, the Manager, each of their respective directors, officers, partners, employees, affiliates and assigns, against liabilities, claims and related expenses including attorneys' fees, incurred by reason of any action performed or omitted in connection with the activities of the Partnership or in dealing with third parties on behalf of the Partnership if such action or decision not to act was taken in good faith, and provided that such action or decision not to act does not constitute gross negligence, intentional misconduct, a knowing violation of law or

an intentional or material breach of the Limited Partnership Agreement or the Management Agreement.

**Income Tax Considerations:**

The Partnership will be treated as a partnership for U.S. federal income tax purposes. Accordingly, each Partner will be allocated its allocable share of Partnership items of income, gain, loss, deduction and credit.

**ERISA Considerations:**

An investment in the Partnership is generally open to employee benefit plans and individual retirement accounts that are subject to the provision of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code").

The Partnership will either (i) limit investments by "Benefit Plan Investors" (as defined in Certain ERISA Considerations) to less than 25% of the equity capitalization on a class by class basis to prevent the assets of the Partnership from being "significant" (as



defined in Department of Labor Regulation 29 C.F.R. Section 2510.3-101) or (ii) operate the Partnership in a manner that will enable the Partnership to qualify as a “venture capital operating company” (as defined in Department of Labor Regulation 29 C.F.R. Section 2510.3-101) (“VCOC”), in each case to prevent the assets of the Partnership from being deemed to include the assets of a plan that is subject to ERISA. No assurances however can be given that participation by Benefit Plan Investors in the Partnership will not be “significant” or that the Partnership will qualify as a VCOC.

See “Certain ERISA Considerations” for a more detailed discussion of certain ERISA and related considerations with respect to an investment in the Partnership.

**Risk Factors:**

An investment in the Partnership involves significant risk and should be considered only by sophisticated investors able to meet drawdown obligations and assume the risks of loss and illiquidity inherent with an investment in the Partnership. See “Risk Factors” (below) for a more detailed discussion of various risk factors and related considerations with respect to an investment in the Partnership.

**Financial Reporting:**

The General Partner will use reasonable commercial efforts to provide the Limited Partners with annual audited financial statements of the Partnership within 90 days after the end of the fiscal year of the Partnership and quarterly unaudited financial statements within 60 days after the end of each fiscal quarter (except the last). Financial statements will be prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The fiscal year end of the Partnership will be December 31.

**Annual Meeting:**

The Partnership will hold an annual meeting of the Partners.

**Legal:**

Skadden, Arps, Slate, Meagher & Flom LLP shall serve as legal counsel to the Partnership and the General Partner in connection with the organization of the Partnership and the offer and sale of Interests.

**Auditors:**

To be determined.

---

**RISK FACTORS**

Prospective investors should consider carefully the following risk factors prior to making any commitment. As a result of these factors, as well as other risks inherent in any investment program, there can be no assurance that the Partnership will achieve its investment objectives or otherwise be able to carry out its investment program successfully. Investment in the Partnership should be considered only by sophisticated investors able to meet drawdown obligations and assume the risk of loss and degree of illiquidity that an investment in the Partnership requires.

**Passive Investment**

Limited Partners are precluded from active participation in making investment decisions in the Partnership and therefore must rely solely on the General Partner to conduct the Partnership's affairs. The success of the Partnership will depend primarily on the investment judgment and portfolio administration skills of the General Partner and its affiliates.

**Dependence on Key Personnel**

The success of the Partnership depends in substantial part upon the skill and expertise of Barker Capital. In addition, Barker Capital is primarily relying on the expertise of Jacob Barker. There can be no assurance that either Mr. Barker or any other member of the professional staff of Barker Capital will continue to be employed by Barker Capital throughout the life of the Partnership. The loss of any of the individuals could have a materially adverse effect on the Partnership.

**Reliance on Historical Data**

Past Performance of Barker Capital and the returns they have been able to achieve for other clients or in connection with other investments or in other funds are not guarantees of successful future performance or positive returns for the Partnership. In addition, Barker Capital has a limited track record and has only been operating for a relatively short period of time.

**High Risk Investments**

Partnership investments will be made in companies that may have substantial variation in operating results from period to period. Portfolio companies can experience failures or substantial declines in value at any stage and may face intense competition. The Partnership Agreement permits the portfolio to become concentrated in certain sectors of, and to some extent individual companies within, the media industry, thereby increasing the volatility of the portfolio. Some portfolio companies may have the need for additional capital to support expansion or to achieve or maintain a competitive position, and there is no assurance that such capital will be available.

## **Illiquid Private Investments**

Investments made by the Partnership in privately held companies will be illiquid and difficult to value. In many cases, investments in these companies may require many years from the date of initial investment before repayment or other disposition. Sales of securities may not be possible and, if possible, may be made at substantial discounts from cost. Decisions regarding the potential sale of such securities shall be made at the discretion of the General Partner.

## **Illiquid Investment in the Partnership**

An investment in the Partnership must be considered as an illiquid investment and involves a high degree of risk. There is no public market for interests in the Partnership, and it is not expected that a public market will develop. There are substantial restrictions on the ability of a Limited Partner to withdraw capital or to transfer its Interest in the Partnership. A purchase of an Interest in the Partnership should be considered only by persons financially able to maintain their investment and who can afford a loss of all or a substantial part of such investment.

## **Limited Operating Histories of Portfolio Companies**

The Partnership will seek to invest in securities of target companies whenever the General Partner believes attractive investment opportunities are presented. Many of these companies may have limited operating histories. As a result, these companies may have inexperienced management, face undeveloped or limited markets, have limited products, have no proven profit-making history, operate at a loss or with substantial variations in operating results from period to period, and have limited access to capital. There can be no assurance that these companies will be successful in implementing their business plans.

## **Highly Leveraged Portfolio Companies**

Although the Partnership will attempt to protect or otherwise limit the potential for loss of capital through structural considerations, liquidation preference, and collateral, no assurances can be made that these efforts will be sufficient. The companies in which the Partnership invests may be highly leveraged. Leverage may have important consequences to these companies and the Partnership as an investor. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to business opportunities may be limited. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. The ability of the Partnership to influence a Company's affairs, especially during periods of financial distress or following an insolvency, may be very limited.

## **Proprietary Rights**

Many target companies will rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that a company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially

equivalent or superior to a company's technologies. Conversely, other companies may make infringement claims against a company in which the Partnership invests.

### **Significant Competition**

Certain target companies may operate in extremely competitive environments. New technologies and improved products and services are continually being developed rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. There can be no assurance that companies in which the Partnership invests will successfully penetrate their markets or establish or maintain a competitive edge.

### **Limited Diversification**

The Partnership's portfolio will be limited to investments in the media industry and, even then, may not represent a broad diversification of investments among segments of such industry. While this limited diversification of the Partnership's portfolio may improve the Partnership's return if Barker Capital is successful in selecting investments, it may increase the adverse effect on the Partnership in the event the Barker Capital proves unsuccessful in selecting attractive investments for the Partnership.

### **Availability of Investment Opportunities**

Although the General Partner does not believe there is currently any significant investment competition, it is possible that there could be competition from other entities having similar investment goals and objectives. Potential competitors include banks, other investment partnerships, strategic investors and other financial investors investing directly or through affiliates. Some of these competitors may have more market experience and contacts, greater financial capital and resources and more personnel than the Partnership. As the competition for investments in the media sector increases, there can be no assurances that the Partnership will be able to meet its investment criteria. It is possible that the Partnership will never be fully invested if enough sufficiently attractive investments are not identified during the investment period.

### **Volatility**

The media industry is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the partnership to recover or otherwise dispose of investments, and the value of investment securities on the date of sale or distribution by the Partnership. In addition, if the Partnership makes only a limited number of investments, the aggregate returns realized by the Limited Partners could be adversely affected in a material manner by the unfavorable performance of even one such investment.

### **Partnership Leverage**

The Partnership has the authority to use leverage in making investments and to pledge assets and unfunded capital contributions to support that leverage, subject to certain limitations. The extent to which the Partnership uses leverage may be important consequences to the Partners, including,

but not limited to, the following: (1) greater fluctuations in the net assets of the Partnership, (2) use of cash flow (including capital contributions) for debt service, rather than for additional investments, distributions, or other purposes, and (3) to the extent that Partnership revenues are used to meet principal payments, the Partners may be allocated income (and therefore tax liability) in excess of cash available for distribution. In addition, there can be no assurance that the Partnership will have sufficient cash flow to meet its debt service obligations. As a result, the Partnership's exposure to losses may be increased due to the liquidity of its investments generally.

### **Non-U.S. Investments**

The Partnership intends to invest a portion of its capital outside the United States in non-dollar denominated securities. These investments involve special risks. Because investments in non-U.S. issuers may involve non-U.S. dollar currencies and because the Partnership may temporarily hold funds in bank deposits in such currencies during the completion of investment programs, the Partnership may be affected favorably or unfavorably by changes in currency rates and in exchange control regulations and may incur transaction costs in connection with conversions between various currencies. In addition, because non-U.S. companies are not subject to uniform accounting, auditing, and financial reporting standards, practices, and requirements comparable with those applicable to U.S. companies, there may be different types of, and lower quality, information available about a non-U.S. company than a U.S. company. With respect to certain countries there may be a possibility of expropriation or confiscatory taxation, political, or social instability, limitation on the removal of funds or other assets or repatriation of profits, U.S. and foreign withholding taxes, or diplomatic developments which could affect the Partnership's investments in those countries. Moreover, individual economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position.

In connection with its non-U.S. investments, the Partnership may employ hedging techniques involving risks different than those of its underlying investments. These techniques involve transactions in forward foreign currency exchange contracts, currency options and futures, and currency and interest rate swaps. While these transactions may reduce certain risks, these transactions themselves entail certain other risks. Thus while the Partnership may benefit from the use of futures and options on futures, unanticipated changes in interest rates, securities prices, or currency exchange rate may result in a poorer overall performance for the Partnership than if it had not entered into any futures contracts or options transaction. In the event of an imperfect correlation between a futures position and portfolio position which is intended to be protected, the desired protection may not be obtained, and the Partnership may be exposed to risk of loss. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuation. Moreover, currency hedging instruments may not be available in certain currencies with a duration that matches the long-term nature of the underlying principal investment. Furthermore, to the extent unhedged, the value of the non-U.S. investments in U.S. dollars will fluctuate with U.S. dollar exchange rates.

## **Reserves**

In managing the Partnership, the General Partner will establish reserves for follow-on investments in portfolio companies, operating expenses (including management fees payable to the General Partner), Partnership liabilities, and other matters. Estimating the amount necessary for such reserves is difficult, particularly because follow-on investment opportunities are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the Limited Partners.

## **General Economic Conditions**

General economic conditions may affect the Partnership's activities and its investment. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Partnership or considered for prospective investment and the ability of portfolio companies to service its debt obligations to the Partnership. In addition, the ability of a portfolio company to refinance its loans from the partnership may depend on its ability to obtain equity or new debt from the public markets or otherwise.

## **Recourse to the Partnership's Assets**

The Partnership's assets, including any investments made by the Partnership, any capital held by the Partnership and unpaid capital commitments of the Limited Partners, are available to satisfy all liabilities and other obligations of the Partnership. If the Partnership becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Partnership's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. If the assets of the Partnership are insufficient, the Partnership may recall distributions previously made to the Limited Partners.

## **No Investigation**

Although the Partnership will seek representations from each Limited Partner regarding various matters, including a representation that the Limited Partner has sufficient financial wherewithal to meet its drawdown obligations, the Partnership will not be required to conduct, and has no present intention of conducting, an independent investigation or assessment of the accuracy of representations made by Limited Partners.

## **Effect of Carried Interest**

The existence of the General Partner's carried interest may create an incentive for the General Partner to make riskier or more speculative investments on behalf of the Partnership than would be the case in the absence of this arrangement.

## **Regulation of Media Companies**

In general, the electronic media in the United States are highly regulated by federal laws and regulations issued and administered by various federal agencies, primarily the Federal



Communications Commission (“FCC”) pursuant to the Communications Act of 1934, as amended. Broadcasting stations operate only under licenses issued by the FCC for the purpose of serving the public interest, convenience, and necessity. Congress may amend the Communications Act from time to time, and the FCC frequently modifies its rules. Such changes may affect the profitability of electronic media. Violations of FCC regulations can result in substantial monetary forfeitures, periodic reporting conditions, short-term license renewals and, in egregious cases, denial of license renewal or revocation of licenses.

In addition, in the event the aggregate debt interests and interests held by the Partnership in any regulated media company exceed 33 percent of the total equity and debt of that media company, the Partnership would become subject (and investors in the Partnership could become subject as well) to FCC reporting requirements and the cross-ownership and multiple-ownership restrictions that pertain to regulated media companies.

### **Conflicts of Interest**

While Barker Capital intends to avoid situations involving conflicts of interest, there may be situations in which the interests of the Partnership may conflict with the interests of the General Partner or related persons. The Limited Partners will acknowledge that performance of any activities authorized by or described in the Partnership Agreement will not be deemed a breach of the agreement or any duty owed the Partnership or any Partner.

Notwithstanding the above, the General Partner will not invest in portfolio companies except through its interest in the Partnership, and, except as otherwise discussed in this Private Placement Memorandum, will seek the consent of a majority in interest of the Limited Partners prior to the Partnership investing in a portfolio company in which the General Partner has an existing direct or indirect equity interest (other than through the Partnership). Except as otherwise discussed in this Private Placement Memorandum, the General Partner will not buy securities from nor sell securities to the Partnership.

### **Valuation of Partnership Investments**

Under the terms of the Partnership Agreement, the General Partner determines the value of the Partnership’s assets. The Partnership’s investment in each portfolio company will generally be valued at cost. Limited Partners required to withdraw capital may receive a valuation for their withdrawn capital interest that is less than a previously reported value and is not reflective of transactions which may be under active consideration (such as a public offering or a merger) that would increase substantially the value of the security in question. At the time a Limited Partner is required to withdraw capital from the Partnership, the General Partner may be in possession of material nonpublic information affecting the value of the Partnership assets. The General Partner may be prohibited by law, agreement, or otherwise from disclosing such information, and accordingly, does not intend to disclose such information to a Limited Partner proposing to withdraw capital.

**Default**

If a Limited Partner fails to meet its obligation to fund a capital drawdown and continues in such failure, such Limited Partner may become a Defaulting Partner. A Defaulting Partner will not be entitled to participate in any vote, consent or decision to be made by the Limited Partners, or to make any further capital contributions to the Partnership and may only be entitled to limited distributions and will be subject to various, cumulative penalties. See “SUMMARY OF PRINCIPAL TERMS -- Defaulting Partners.”

**Suitability Considerations**

An investment in the Partnership involves a high degree of risk and should not exceed a limited portion of the risk segment of an investor's portfolio. No investor should invest an amount in the Partnership that such investor cannot afford to lose. Investors in the Partnership must be able to meet drawdown obligations, endure the long-term nature of the investment and withstand the loss of their entire investment.

**Tax Matters**

See “APPENDIX I: U.S. FEDERAL INCOME TAX CONSIDERATIONS.”

**Certain Regulatory Matters***Investment Company Act of 1940*

The Partnership will not be subject to the provisions of the Investment Company Act of 1940, as amended (the “Investment Company Act”), in reliance upon Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Section 3(c)(1) of the Investment Company Act excludes from the definition of “investment company” any issuer whose outstanding securities are beneficially owned by not more than 100 persons (as defined in said Section 3(c)(1)) and that meets the other conditions contained therein. Section 3(c)(7) of the Investment Company Act requires that each Limited Partner be a “qualified purchaser.” A “qualified purchaser” includes a natural person who owns not less than US\$5 million in investments, a natural person or company, acting for its own account or the accounts of other qualified purchasers, who owns and invests on a discretionary basis not less than US\$25 million in investments, and certain trusts and family companies. Investors' subscription agreements and the partnership agreement (“Partnership Agreement”) will contain representations and restrictions on transfer designed to assure that the foregoing conditions (as applicable) will be met. The Partnership may be formed as more than one partnership, each one satisfying one of the foregoing exemptions.

*Investment Advisers Act of 1940*

Neither the Partnership nor the General Partner is presently registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in reliance upon the exemption from the registration requirements of the Advisers Act contained in Section 203(b)(3) thereof, which exempts from registration any investment adviser who during the course of the preceding twelve months has had fewer than 15 clients and who meets certain other



requirements. By virtue of being exempt from registration, neither the Partnership nor the General Partner is subject to the performance fee restrictions and certain other restrictions contained in the Advisers Act. However, the Partnership and/or the General Partner may register as an investment adviser under the Advisers Act in the future.

### *Securities Act of 1933*

The offer and sale of the Interests will not be registered under the Securities Act in reliance upon the exemption from registration provided by Section 4(2) thereof and Regulation D promulgated thereunder. Each purchaser must be an “accredited investor” (as defined in Regulation D) and will be required to represent, among other customary private placement representations, that it is acquiring its Interest in the Partnership for its own account for investment purposes only and not with a view to resale or distribution.

## CERTAIN ERISA CONSIDERATIONS

### **General Fiduciary Matters**

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and Section 4975 of the Code, impose certain restrictions on (a) employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, (b) plans (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, (c) any entities whose underlying assets include plan assets by reason of a plan’s investment in such entities (each of (a), (b) and (c), a “Plan”) and (d) persons who have certain specified relationships to Plans (“Parties in Interest” under ERISA and “Disqualified Persons” under the Code). Moreover, based on the reasoning of the United States Supreme Court in *John Hancock Life Ins. Co. v. Harris Trust and Sav. Bank*, 510 U.S. 86 (1993), an insurance company’s general account may be deemed to include assets of the Plans investing in the general account (e.g., through the purchase of an annuity contract), and such insurance company might be treated as a Party in Interest with respect to a Plan by virtue of such investment. ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA, and ERISA and Section 4975 of the Code prohibit certain transactions between a Plan and Parties in Interest or Disqualified Persons with respect to such Plan. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

The United States Department of Labor (the “DOL”) has promulgated a regulation, 29 C.F.R. §2510.3-101 (the “Plan Asset Regulation”) describing what constitutes the assets of a Plan with respect to the Plan’s investment in an entity for purposes of the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an “equity interest” of an entity that is neither a “publicly offered security” nor a security issued by an investment company registered under the Investment Company Act, the Plan’s assets are deemed to include both the equity interest itself and an undivided interest in

each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that equity participation by "benefit plan investors" is not "significant." If the assets of the Partnership were deemed to constitute the assets of an investing Plan, (i) transactions involving the assets of the Partnership could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code, (ii) the assets of the Partnership could be subject to ERISA's reporting and disclosure requirements, and (iii) the fiduciary causing the Plan to make an investment in the Interests could be deemed to have delegated its responsibility to manage the assets of the Plan.

The Interests will constitute an "equity interest" in the Partnership for purposes of the Plan Asset Regulation, and the Interests will not constitute "publicly offered securities" for purposes of the Plan Asset Regulation. In addition, the Partnership will not be registered under the Investment Company Act.

## **25% Limitation**

Under the Plan Asset Regulation, equity participation in an entity by Benefit Plan Investors is "significant" on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interest in the entity is held by Benefit Plan Investors (the "25% Limitation"). The term "Benefit Plan Investor" is defined to include any (i) "employee benefit plan" (as defined in Section 3(3) of ERISA), whether or not subject to Title I of ERISA, including without limitation governmental plans, foreign pension plans and church plans, (ii) "plan" (as defined in Section 4975(e)(1) of the Code), whether or not subject to Section 4975 of the Code, including without limitation individual retirement accounts and Keogh plans, or (iii) entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity, including without limitation, as applicable, an insurance company general account. For purposes of making determinations under the 25% Limitation, (i) the value of any equity interests held by a person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the entity or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person (each such person or affiliate, a "Controlling Person"), is disregarded, and (ii) only the proportion of an insurance company general account's equity investment in the entity that represents plan assets is taken into account.

## **Venture Capital Operating Company**

Under the Plan Asset Regulation, an entity is an "operating company" if it is primarily engaged, directly or through a majority owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital. Given the nature of the Partnership's contemplated investments, the Partnership will not satisfy the foregoing definition of an "operating company". However, the Partnership would nevertheless constitute an "operating company" if it is a "venture capital operating company" as defined in the Plan Asset Regulation ("VCOC").

To qualify as a VCOC under the Plan Asset Regulation an entity must have at least 50% of its assets (other than short term investments pending long-term commitment or distribution to

investors), valued at cost, invested in “venture capital investments,” which are defined under the Plan Asset Regulation as companies in the business of selling goods or services (other than the investment of capital) with respect to which the entity has or obtains management rights.

The General Partner may operate the Partnership in a manner that will enable the Partnership to qualify as a VCOC. In this regard, the General Partner expects that most, if not all, of the Partnership’s long-term investments would qualify as venture capital investments under the Plan Asset Regulation. The Partnership would obtain certain management rights with respect to the Partnership’s “venture capital investments,” including any one or a combination of the following rights: the right to receive quarterly and annual consolidated balance sheets and consolidated statements of income and cash flows, including the annual auditor’s report; the right to receive copies of all documents, reports, financial data and other information as the Partnership may reasonably request; the right to visit and inspect the property, including the books of account, and to discuss the affairs, finances and accounts with officers of the operating company, at such times as the Partnership may request; or any other management rights as may be deemed advisable for the Partnership to qualify as a VCOC.

The Partnership will either (i) limit investments by Benefit Plan Investors to less than 25% of the equity capitalization on a class by class basis to prevent the assets of the Partnership from being “significant” and deemed to include the assets of a plan that is subject to ERISA or (ii) operate the Partnership in a manner that will enable the Partnership to qualify as a VCOC to prevent the assets of the Partnership from being deemed to include the assets of a plan that is subject to ERISA.

No assurances however can be given that participation by Benefit Plan Investors in the Partnership will not be “significant” or that the Partnership will qualify as a VCOC. If the Partnership fails to qualify as a VCOC or participation by Benefit Plan Investors is “significant” and Partnership’s assets are deemed to constitute “plan assets” under ERISA, certain of the transactions in which the Partnership might normally engage could constitute a “prohibited transaction” under ERISA or Section 4975 of the Code. In such circumstances, the General Partner, in its sole discretion, may void or undo any such prohibited transaction, and may require each Limited Partner that is a Benefit Plan Investor to withdraw from the Partnership upon terms that the General Partner considers appropriate.

Governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to state or other federal laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing an Interest.

A fiduciary of a Plan or any other plan that proposes to cause such entity to purchase an Interest should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a prohibited transaction or any other violation of ERISA.

The sale of an Interest to a Plan is in no respect a representation by the Partnership, the General Partner or any other person associated with the offering of Interests that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

## **APPENDIX I: U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following is a brief general summary of the principal U.S. federal income tax consequences of an investment in the Partnership and is for informational purposes only. This summary is based on current U.S. federal income tax law, which is subject to change, possibly with retroactive effect. This summary does not purport to address all of the U.S. federal income tax consequences that may be relevant to prospective investors nor does it address the effects that differing Partnership investments may have on the Partners of the Partnership. This summary does not constitute legal or tax advice.

This summary applies to prospective investors who are citizens or residents of the United States, corporations, partnerships or other entities created or organized under the laws of the United States or any political subdivision thereof, trusts, if their administration is subject to primary supervision by a court within the United States and the control of all substantial decisions of the trust is exercised by one or more U.S. persons, or estates that are subject to U.S. federal income tax regardless of the source of their income.

This summary does not address the tax consequences to investors subject to special treatment under U.S. federal income tax laws. Furthermore, the tax consequences of an investment in the Partnership may vary substantially depending on the investor's status. In addition, the discussion does not discuss any state, local or foreign taxes that may be applicable to an investor. Investors should consult their tax advisors to determine the U.S. federal, state, local and other tax consequences to them with regard to the purchase, ownership, and disposition of an Interest. No advance rulings have been or will be sought from the Internal Revenue Service (the "IRS") regarding any matter discussed in this Memorandum.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE PARTNERSHIP.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PLEASE NOTE THAT ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS MEMORANDUM IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE INTERESTS IN THE FUND BY THE GENERAL PARTNER AND CANNOT, AND IS NOT INTENDED TO, BE RELIED UPON BY PROSPECTIVE INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE CODE. ALL PERSONS CONSIDERING AN INVESTMENT IN THE FUND ARE URGED TO CONSULT WITH THEIR TAX ADVISORS AS TO THE SPECIFIC U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES TO THEM OF SUCH INVESTMENT.

### **Tax Status of the Partnership**

At the Initial Closing, Skadden, Arps, Slate, Meagher & Flom LLP will deliver an opinion to the effect that the Partnership will be treated for U.S. federal income tax purposes as a partnership and not as an association taxable as a corporation. No assurance can be given that the IRS will not challenge the classification of the Partnership as a partnership or that a court would not sustain any such challenge and thereby treat the Partnership as an association taxable as a

corporation. If, for any reason, the Partnership is treated as an association taxable as a corporation, the Partnership would be subject to U.S. federal income tax on its taxable income at corporate income tax rates, without a deduction for any distributions to the investors, thereby potentially reducing materially the amount of cash available for distribution. In addition, capital gains and losses and other income and deductions of the Partnership would not be passed through to the investors, and the investors would be treated as shareholders for U.S. federal income tax purposes. In such case, all distributions by the Partnership to the Partners would be treated as dividends, return of capital or capital gain. The discussion below assumes the Partnership will be treated as a partnership for U.S. federal income tax purposes.

### **Taxation of Partners on the Partnership's Income and Loss**

The Partnership generally will not be subject to U.S. federal income taxation. Instead, each Partner will be required to take into account its allocable shares of the Partnership's income, gains, losses, deductions and credits (collectively "tax items") for the taxable year of the Partnership ending within or with the taxable year of such Partner, regardless of whether such Partner has received any distributions from the Partnership. The amount that must be included in such a Partner's taxable income may exceed cash or in kind distributions to it during a taxable year. A Partner's allocable share of any item of income, gain, loss, deduction or credit of the Partnership will be governed by the Partnership's Limited Partnership Agreement provided such allocations either have "substantial economic effect" or are determined to be in accordance with the Partner's interest in the Partnership. The Limited Partnership Agreement of the Partnership contains provisions designed to comply with the U.S. Treasury regulations governing the substantial economic effect requirement. If the IRS successfully challenged the allocations provided by the Limited Partnership Agreement, the redetermination of the allocations to a particular Partner for U.S. federal income tax purposes could be less favorable than the allocations set forth in the Limited Partnership Agreement.

A Partner generally will be required to report separately, on its U.S. federal income tax return, its allocable share of the tax items of the Partnership. The deductibility of certain tax items of the Partnership may be subject to certain limitations imposed under the Internal Revenue Code of 1986 (the "Code"). A Partner may not deduct items of Partnership loss or deduction to the extent such items exceed such Partner's adjusted tax basis in its Interest. Items of loss and deduction denied as a result of this limitation would be suspended and carried forward and deducted in subsequent taxable years, subject to this and other applicable limitations.

Investment expenses (*e.g.*, investment advisory fees) of an individual, trust or estate are deductible only to the extent they exceed 2% of adjusted gross income.<sup>4</sup> In addition, the Code further restricts the ability of an individual with an adjusted gross income in excess of a specified

---

<sup>4</sup> Section 67(e) of the Code provides that, in the case of a trust or an estate, such limitation does not apply to deductions or costs which are paid or incurred in connection with the administration of the estate or trust and would not have been incurred if the property were not held in such trust or estate. There is a disagreement among certain Federal Courts of Appeals on the question of whether the investment advisory fees incurred by a trust are exempt (under Section 67(e)) from the 2% of adjusted gross income floor on deductibility. Limited Partners that are trusts or estates should consult their tax advisors as to the applicability of these cases to the investment expenses that are allocated to them.



amount (for 2007, \$156,400 or \$78,200 for a married person filing a separate return) to deduct such investment expenses. Under such provision, investment expenses in excess of 2% of adjusted gross income may only be deducted to the extent such excess expenses (along with certain other itemized deductions) exceed the lesser of (i) 3% of the excess of the individual's adjusted gross income over the specified amount of (ii) 80% of the amount of certain itemized deductions otherwise allowable for the taxable year.<sup>5</sup> Moreover, such investment expenses are miscellaneous itemized deductions which are not deductible by a noncorporate taxpayer in calculating its alternative minimum tax liability.

It is unclear whether all or a portion of the Partnership's transactions will qualify as investment activities, the expense for which would be subject to the above limitations. These limitations on deductibility may apply to a noncorporate Limited Partner's share of the expenses of the Partnership, including the Management Fee or other fees, to the extent such expenses are allocable to any activities that are not in a trade or business within the meaning of the Code.

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, each noncorporate Limited Partner should consult its tax advisors with respect to the application of these limitations.

A Limited Partner will not be allowed to deduct syndication expenses paid in connection with the sale of Interests, including placement fees, paid by such Limited Partner or the Partnership. Any such amounts will be included in the Limited Partner's adjusted tax basis for its Interest.

For noncorporate taxpayers, Section 163(d) of the Code limits the deduction for "investment interest" (i.e., interest that is paid or accrued on indebtedness properly allocable to property held for investment). Investment interest is not deductible in the current year to the extent that it exceeds the taxpayer's "net investment income," which is the excess of investment income over investment expense in the current year. For this purpose, any net capital gains excluded from investment income unless the taxpayer elects to pay tax on such amount at ordinary income tax rates. The investment interest limitation would apply to interest paid by a Partner on money borrowed to finance its investment in the Partnership and to a Partner's allocable share of interest expense of the Partnership. For purposes of this limitation, a Partner's allocable share of income and expenses from the Partnership should generally be treated as investment income and investment expenses attributable to the Partnership's operation. A Partner that is precluded from deducting interest expense currently as a result of the application of Section 163(d) of the Code would be entitled to carry forward the amount of such expense to future years, subject to the same limitation. Potential investors are advised to consult with their tax advisors with respect to the application of the investment interest limitation in their particular tax situations.

As noted above, an investor is currently restricted from taking into account for U.S. federal income tax purposes its allocable share of any Partnership loss that exceeds such Partner's adjusted tax basis in its Interest. In addition, the Code restricts individuals, estates, trusts and

---

<sup>5</sup> Under recently enacted legislation, the latter limitation on itemized deductions will be reduced starting in calendar year 2006 and will be completely eliminated by 2010. This legislation contains a "sunset" provision that will result in the limitation on itemized deductions being restored in 2011.

certain closely-held corporations from taking into account for U.S. federal income tax purposes any Partnership net loss in excess of the amounts for which such Partner is "at risk" with respect to its Interest as of the end of the Partnership's taxable year in which such loss occurred. The amount for which a Partner is "at risk" with respect to its Interest generally is equal to its adjusted tax basis for such interest, less any amounts borrowed (x) in connection with its acquisition of such Interest for which it is not personally liable and for which it has pledged no property other than its Interest; (y) from persons who have a proprietary interest in the Partnership and from certain persons related to such persons; or (z) for which the Partner is protected against loss through nonrecourse financing, guarantees or similar arrangements.

Prospective investors also should be aware that certain of the Partnership's organizational expenses will not be deductible against the income of the Partnership. Such nondeductible expenses generally relate to the offering of Interests. In addition, certain other organizational expenses must be amortized for U.S. federal income tax purposes over a period of not less than sixty months following the organization of the Partnership.

### **Adjusted Tax Basis for Interests and Distributions**

In general, a Partner's adjusted tax basis for U.S. federal income tax purposes in its Interest will be equal to the aggregate amount of its capital contributions to the Partnership and will be (i) increased by its allocable share of (a) items of Partnership taxable income and gain and (b) any increase in the Partner's share of the nonrecourse liabilities of the Partnership; and (ii) reduced, but not below zero, by (a) its allocable share of items of Partnership deductible expense and loss and (b) the amount of cash or the amount of the basis of any property, other than cash, distributed by the Partnership and constructive distributions resulting from reduction in such Partner's share of nonrecourse Partnership liabilities.

A Partner will not be subject to U.S. federal income tax on distributions from the Partnership unless the Partner receives a cash distribution (or a constructive distribution, as described above) in an amount that exceeds such Partner's adjusted tax basis in its Interest. In such instance, such Partner would be required to recognize taxable income to the extent of such excess. In addition, if a Partner receives a distribution of marketable securities from the Partnership, the distribution will be treated as a cash distribution unless the Partnership constitutes an "investment partnership." Although not free from doubt, the Partnership should constitute an investment partnership for this purpose, and therefore, any distribution of marketable securities to the Partners should not be treated as a cash distribution for U.S. federal income tax purposes. Such amount would be treated as gain from the sale or exchange of its Interest. In general, if a Partner has held its Interest for more than one year, any such gain would be considered long-term capital gain.

### **Sales and Redemptions of Interests**

A sale or redemption of all or a part of a Partner's Interest will result in the recognition of gain or loss in an amount equal to the difference, if any, between the amount realized on the sale or the cash distributions received in the redemption (including any deemed cash distributions from the Partnership, as described above) and the Partner's adjusted tax basis for its Interest. Such adjusted tax basis will be adjusted for this purpose by the Partner's allocable share of the



Partnership tax items for the year of the sale or redemption. Any gain or loss recognized with respect to such sale or redemption generally will be treated as capital gain or loss and will be long-term capital gain or loss if the Interest has been held for over one year. In the case of individuals and other non-corporate taxpayers, long term capital gain (including qualified dividend income) is generally taxed at a maximum 15% U.S. federal tax rate (for taxable years beginning on or before December 31, 2008).

### **Dissolution of the Partnership**

Dissolution of the Partnership will involve the sale of the Partnership's assets, to the extent possible, and the distribution of any cash and assets remaining after satisfaction of the Partnership's liabilities. A Partner generally will recognize taxable income to the extent it receives cash in excess of the adjusted tax basis of its Interest, or recognize a loss to the extent that the adjusted tax basis of its Interest exceeds the amount of cash received in a liquidating distribution. Any gain or loss recognized upon the liquidation of the Partnership will be treated as gain or loss from the sale or exchange of the Interest to the distributed Limited Partner. See "Sale and Redemptions of Interests" above for discussion of the characterization of such gain or loss for U.S. federal income tax purposes.

### **Losses from Passive Activities**

The Code restricts the deductibility of losses from a "passive activity" against certain income which is not derived from a passive activity. This restriction applies to individuals, personal service corporations and certain closely held corporation. The Partnership may generate income or loss from a passive activity.

### **"Phantom Income" from Partnership Investments**

Pursuant to various "anti-deferral" provisions of the Code, investments (if any) by the Partnership in certain foreign corporations may cause a Limited Partner to (i) recognize taxable income prior to the Partnership's receipt of distributable proceeds, (ii) pay an interest charge on receipts that are deemed as having been deferred or (iii) recognize ordinary income that, but for the "anti-deferral" provisions, would have been treated as long-term or short-term capital gain. Investments by the Partnership in "synthetic" lease and other off-balance sheet structures may also generate "phantom income" to the Partnership. Moreover, if the Partnership realizes a net loss from investments in certain foreign corporations in a particular year, that loss will not pass through to the Partnership. Such loss also cannot be carried forward to offset income of the Partnership in subsequent years. Instead, the partnership would only realize a tax benefit from such loss in calculating its gain or loss when it disposes of its shares in such foreign corporation.

### **Foreign Taxes**

It is possible that certain interest and other payments directly or indirectly received by the Partnership from sources within foreign countries will be subject to withholding taxes imposed by such countries. In addition, the Partnership also may be subject to capital gains taxes in some of the foreign countries where it purchases and sells securities. Tax treaties between certain countries and the United States may reduce or eliminate such taxes. It is impossible to predict in

advance the rate of foreign tax the Partnership will pay since the amount of the Partnership's assets to be invested in various countries is not known.

The Partners will be informed by the Partnership as to their proportionate share of the foreign taxes paid by the Partnership which they will be required to include in their income. The Limited Partners generally will be entitled to claim either a credit (subject to the limitations discussed below and provided that, in the case of dividends, the foreign stock is held for the requisite holding period) or, if they itemize their deductions, a deduction (subject to the limitations generally applicable to deductions) for their share of such foreign taxes in computing their U.S. federal income taxes.

Generally, a credit for foreign taxes is subject to the limitation that it may not exceed the Partner's U.S. federal tax (before the credit) attributable to its total foreign source taxable income. A Limited Partner's share of the Partnership's interest and other income from non-U.S. securities generally will qualify as foreign source income. Generally, the source of gain and loss realized upon the sale of personal property, such as securities, will be based on the residence of the seller. In the case of a partnership, the determining factor is the residence of the partner. Thus, absent a tax treaty to the contrary, the gains and losses from the sale of securities allocable to a Partner that is a U.S. resident generally will be treated as derived from U.S. sources (even though the securities are sold in foreign countries). For purposes of the foreign tax credit limitation calculation, investors entitled to the 15% tax rate on qualified dividends and long-term capital gains must adjust their foreign tax credit limitation calculation to take into account the preferential tax rate on such income to the extent it is derived from foreign sources. Certain currency fluctuation gains, including fluctuation gains from foreign currency denominated debt securities, receivables and payables, will be treated as ordinary income derived from U.S. sources.

The limitation on the foreign tax credit is applied separately to foreign source passive income, such as dividends and interest. In addition, the foreign tax credit is allowed to offset only 90% of the alternative minimum tax imposed on corporations and individuals.<sup>6</sup> Furthermore, for foreign tax credit limitation purposes, the amount of a Partner's foreign source income is reduced by various deductions that are allocated and/or apportioned to such foreign source income. One such deduction is interest expense, a portion of which will generally reduce the foreign source income of any Partner who owns (directly or indirectly) foreign assets. For these purposes, foreign assets owned by the Partnership will be treated as owned by the investors in the Partnership and indebtedness incurred by the Partnership will be treated as incurred by investors in the Partnership.

Because of these limitations, Limited Partners may be unable to claim a credit for the full amount of their proportionate share of the foreign taxes paid by the Partnership. The foregoing is only a general description of the foreign tax credit under current law. Moreover, because the availability of a credit or deduction depends on the particular circumstances of each partner, each Limited Partner is advised to consult its own tax advisors.

---

<sup>6</sup> The offset is increased to 100% for taxable years beginning after December 31, 2004.

## **State and Local Taxation**

In addition to the federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Partnership. State and local laws often differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Partner's distributive share of the taxable income or loss of the Partnership generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident. A partnership in which the Partnership acquires an interest may conduct business in a jurisdiction which will subject to tax a Partner's share of the partnership's income from that business and may cause Partners to file tax returns in those jurisdictions. Many of such states may permit the Partnership to file a composite, combined, group, block or similar tax return and to make tax payments on behalf of eligible non-resident Partners. As a convenience to Partners, the Partnership may make composite state filings and payments whenever feasible and offer each eligible Partner the opportunity to join in such returns to the extent permitted by state law. Any state taxes (including estimated taxes) paid by the Partnership on behalf of a Partner will be charged to such Partner's Capital Account. Each prospective investor should consult its tax advisors with respect to the availability of a credit for such tax in the jurisdiction in which that Partner is a resident.

Limited Partners may be subject to state and/or local franchise, withholding, capital gain or other tax payment obligations and filing requirements in those jurisdictions where the Partnership is considered to be doing business or earning income. Credits for these taxes may not be available (or may be subject to limitations) in the jurisdictions in which Limited Partners are resident. As a convenience to Partners, the Partnership will endeavor, whenever feasible, to conduct its operations in a manner so as to minimize any such tax payment obligations and filing requirements. The Partnership may make composite state filings and payments whenever feasible and offer each eligible Partner the opportunity to join in such returns to the extent permitted by State and local law so as to minimize any such tax payment obligations and filing requirements.

## **Other Tax Matters**

Each prospective investor must consult its tax advisors with respect to its tax situation and the effects of an investment in the Partnership.

The General Partner may attempt to evaluate the general tax consequences of a proposed investment to the Limited Partners in the course of its analysis of factors considered relevant to a specific investment opportunity. Situations may arise, however, in which the tax consequences of a proposed investment by the Partnership may affect all Limited Partners, collectively, in a different manner than it affects each Limited Partner individually. There can be no assurance that the manner in which the operations of the Partnership or any specific investment are structured will not be disadvantageous to certain Limited Partners from a tax perspective.

It is anticipated that the Partnership may take positions with respect to certain tax issues that, in some cases, will not have been ruled on by the IRS or analogous agencies of other governments in countries in which the Partnership invests. Should any of these positions be successfully

challenged by the IRS or the analogous agencies of other governments, Limited Partners might be found to have different tax liabilities for that year than they calculated or reported originally based on the Partnership's allocation of income, expenses, gains and losses.

Under the Code, adjustments in tax liability with respect to Partnership items generally will be made at the Partnership level in a single proceeding rather than in separate proceedings with each Partner. The General Partner will represent the Partnership as its "tax matters partner" during any audit and in any dispute with the IRS. Each Limited Partner will be informed by the General Partner as to the commencement of an audit of the Partnership. In general, the General Partner may enter into a settlement agreement with the IRS on behalf of, and that is binding upon, the Limited Partners. Prior to settlement, however, a Limited Partner may file a statement with the IRS providing that the General Partner does not have authority to settle on behalf of such Limited Partner.

If adjustments are made to items of Partnership income, gain, loss deduction or credit as the result of an audit of the Partnership, the tax returns of the Limited Partners may be reviewed by the IRS, which could result in adjustments of non-Partnership items, as well as Partnership items. If such adjustments result in an increase in a Limited Partner's income tax liability for any year, such Limited Partner also may be liable for interest and penalties with respect to the amount of underpayment. Any such adjustment also could be expected to affect such Limited Partner's liability for state or local taxes. All expenses with respect to an audit of a Limited Partner's returns would be borne by such Limited Partner.

The General Partner will be authorized and directed to cause the Partnership to make an election to value the general partner interest of the General Partner as compensation for services to the Partnership (the "Compensatory Interest") at liquidation value (the "Safe Harbor Election"), as the same may be permitted pursuant to or in accordance with the finally promulgated successor rules to Proposed Treasury Regulations Section 1.83-3(l) and IRS Notice 2005-43. The General Partner shall cause the Partnership to make any allocations of items of income, gain, deduction, loss or credit (including forfeiture allocations and elections as to allocation periods) necessary or appropriate to effectuate and maintain the Safe Harbor Election.

Any such Safe Harbor Election shall be binding on the Partnership and on all of its Partners with respect to all transfers of the Compensatory Interest thereafter made by the Partnership while a Safe Harbor Election is in effect. A Safe Harbor Election once made may be revoked by the General Partner as permitted by the Proposed Rules or any applicable rule.

### **Tax Shelter Reporting Requirements**

Although not currently intended, the Partnership may engage in one or more "reportable transactions," requiring the Partnership and, in certain circumstances, a Limited Partner to file information returns as described below. In addition, the General Partner and other material advisors to the Partnership may each be required to maintain for a specified period of time a list containing certain information regarding the "reportable transactions" and the Partnership's investors, and the Service could inspect such lists upon request.

The Regulations require the Partnership to complete and file Form 8886 (“Reportable Transaction Disclosure Statement”) with its tax return for each taxable year in which the Partnership participates in a “reportable transaction.” Additionally, each Partner treated as participating in a reportable transaction of the Partnership is required to file Form 8886 with its tax return. The Partnership and any such Partner, respectively, also must submit a copy of the completed form with the Service’s Office of Tax Shelter Analysis. The Partnership intends to notify the Partners that it believes (based on information available to the Partnership) are required to report a transaction of the Partnership and intends to provide such Partners with any available information needed to complete and submit Form 8886 with respect to the transactions of the Partnership.

Under the above rules, a Partner’s recognition of a loss upon its disposition of an interest in the Partnership also could constitute a “reportable transaction” for such Partner.

Under new legislation, a significant penalty is imposed on taxpayers who participate in a “reportable transaction” and fail to make the required disclosure. Investors should consult with their own advisors concerning the application of these reporting obligations to their specific situations.